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Daily Report

East Asia

FBIS-EAS-90-128
Tuesday
3 July 1990

Daily Report
East Asia

FBIS-EAS-90-128

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Japan

Kaifu Prepares for Houston Economic Summit

Government Approves Attendence

OW0307080390 Tokyo KYODO in English 0731 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—The Japanese Government approved plans Tuesday for Prime Minister Toshiki Kaifu and the Japanese delegation to attend the July 9-11 economic summit in Houston, Texas.

Kaifu, accompanied by Finance Minister Ryutaro Hashimoto and Minister of International Trade and Industry Kabun Muto, will leave from Tokyo's Haneda Airport Friday afternoon and they are scheduled to arrive in Houston the same day.

The prime minister will meet U.S. President George Bush on Saturday and is scheduled to attend a welcoming reception for the summit participants on Sunday.

Chief Cabinet Secretary Misoji Sakamoto, meeting the press after Tuesday's cabinet meeting, said Japan is looking for a "wide-ranging exchange of views" at the Houston summit as to how to cope with the new international order brought about by democratic trends reshaping the Soviet Union and Eastern Europe.

Kaifu is scheduled to visit Atlanta and Colorado Springs before returning to Tokyo on July 15.

Kaifu's Visit Previewed

OW0307082890 Tokyo KYODO in English 0754 GMT 3 Jul 90

[By Antonio Kamiya]

[Text] Tokyo, July 3 KYODO—Prime Minister Toshiki Kaifu is gearing up for the annual summit of seven major industrial powers next week in Houston which is expected to accentuate political and trade concerns within the Western alliance now that confrontation between East and West is virtually over.

Kaifu leaves Tokyo Friday and arrives in Houston on the same day, three days ahead of the July 9-11 summit, to polish Japan's strategy to cope with a shifting world brought about by the collapse of communism in Eastern Europe.

Officially, the summit is portrayed in Japan as an occasion for Western leaders to pontificate and to make pronouncements on large economic, and more recently, political issues on the day. The summit leaders will "exchange views on the future image of a new international order and the state of cooperation among the advanced democratic countries," said Chief Cabinet Secretary Misoji Sakamoto Tuesday in releasing Kaifu's traveling schedule.

Bolstered by a high public approval rate (an all-time high of 63 percent in the last KYODO poll conducted in June), and with the crucial Structural Impediments Initiative (SII) talks with the United States behind him, Kaifu seems ready to move to the international stage at his first summit since coming to office in August last year.

The 16th economic summit brings together government leaders from Japan, the United States, Britain, Canada, France, West Germany, and Italy, as well as the president of the Commission of European Community.

The menu of economic issues has long been set, notably coordination of macroeconomic policies, and giving a final political impetus to the Uruguay Round of multilateral trade talks. But the precise shape of the political agenda this year, a staple at the annual "economic" summits since the previous U.S.-hosted summit at Williamsburg in 1985, is less certain as President George Bush and European partners at the Houston Summit will be meeting in a separate summit of NATO powers in London on Thursday and Friday.

As leader of the only outsider in the NATO alliance, Kaifu has set up a lunch meeting with Bush in Houston on Saturday in which he expects Bush will fill him in personally on NATO thinking on the larger issues of East-West politics.

On trade, Japan had hoped that the summit would find Bush squaring off with the European leaders over farm subsidies—a major stumbling block in the Uruguay Round—with Kaifu sitting out the storm. But Washington has made it clear that Japan, which wants to take a low profile because of its ban on rice imports, will be drawn into the fray. "Rice is no different from any other issue of market access," U.S. Trade Representative Carla Hills told reporters in Washington Monday, as she reiterated the importance of the Houston Summit as a key venue to give a "political push" to the Uruguay Round talks. The Japanese hope, government sources say, is to see any storm papered over with an assurance in the final summit communique that "nontrade concerns" would be taken into account in the Uruguay Round efforts to boost farm trade.

The Uruguay Round, launched nearly four years ago under the aegis of the General Agreement on Tariff and Trade, is to be completed in December.

Kaifu should find an ally in the United States on the issue of providing financial aid to the Soviet Union, as the EC leaders agreed to do at their summit meeting in Dublin last week. Japan, like the United States, but for different reasons, is cool toward the idea of sending money to Moscow. The reason is that Tokyo, which has a territorial dispute with Moscow, wants to extract political concessions from the Soviets before opening its coffers. "There must be a difference in the way of thinking between nations where there are no more Soviet troops and a nation whose inherent territory is still under occupation," said a senior Finance Ministry official Monday. Foreign Minister Taro Nakayama defined the measures Japan plans to make, saying cooperation from Tokyo be limited in the form of "intellectual knowhow."

As in previous summits, Japan is conscious of being the only Asian nation represented and Kaifu vowed, in a meeting with leaders of his own party Monday, to present his views as the leader of "Japan of Asia."

As an Asian world economic power, Japan also plans to widen Western support for the democratic process from Eastern Europe into Asia where rumblings for democracy have been evident from Mongolia to Nepal to Myanmar [Burma].

China, however, has become a headache. While Japan joined its partners at the 1989 Paris summit in condemning the crackdown on pro-democracy demonstrators in Beijing in June last year, Tokyo has since softened its stand following a series of human rights gestures from the Chinese capital, including the release of two prominent dissidents last week.

Tokyo, pleading that China must not be isolated in the world, has been sounding out its summit partners on a possible way to release the 810 billion yen loan package to China for fiscal 1990 to 1995 which has been frozen since the Tiananmen crackdown. Kaifu told a Japanese Union leader Tuesday that Japan wants to implement the aid package, committed in June 1988, but China must show the world that the political environment is right. "China must take further steps to create a better environment for the sake of international understanding," Kaifu said in one of his presummit meetings with Japanese political and labor leaders.

Armed with a deep pocket, Japan too is ready to play banker at the summit in matters of foreign aid to relief [as received] the plight of the least developed nations (LDC) in the world. Kaifu himself made the point of meeting with an LDC delegation led by Bangladeshi Foreign Minister Anisul Mahmud last Friday, and gave his word that he will bring up the question of economic aid to the least developed countries at the summit.

Group Claims Nuclear Experts on U.S. Carrier

OW0307034990 Tokyo KYODO in English 1356 GMT 2 Jul 90

[Text] Yokosuka, Kanagawa Pref., July 2 KYODO—A local antinuclear citizens group said Monday its investigations have revealed that the U.S. aircraft carrier Independence, scheduled to make the U.S. naval base here its home port in the summer of next year, carries nuclear weapons specialists and technicians to deal with nuclear accidents.

A representative of the Nepa-no-Kai, an organization borrowing its name from the National Environmental Policy Act, said he made his discovery recently in the 1982 edition of the "Independence Crew's Book" at the U.S. Navy library in Washington. According to the crew's book of the 80,643-ton carrier, "Weapons Division" specialists in handling nuclear weapons, and an "Explosive Ordinance Disposal" group trained to deal with nuclear accidents were stationed aboard the Independence. In one entry, commenting on the duties of the Weapons Division, the crew's book noted that technicians for sensitive weapons were seldom seen outside of the ammunition magazine.

Meanwhile, the Nepa-no-Kai representative, Hiromichi Umebayashi, also discovered that the Midway, recently forced to port for repairs following explosions and fire on board, successfully passed the Navy Technical Proficiency Inspection for ships carrying nuclear weapons twice between 1985 and 1987. Umebayashi said, "This would seem to strengthen our doubts that both ships are, in actuality, bearing nuclear weapons."

The Independence is scheduled to replace the Midway in summer next year when the latter is decommissioned.

The Midway was forced into port late last month when a pair of explosions ripped through a lower hold area, killing three sailors and injuring 15 others.

The Midway accident touched off protests as it limped into port, saying a nuclear accident on board would effect the entire community surrounding the base.

U.S. Firm To Develop IC's for Toyota

OW0307035490 Tokyo KYODO in English 0310 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—National Semiconductor Corp. has agreed with a Japanese firm to develop custom-made integrated circuits (ICs) for Toyota Motor Corp., the major U.S. microchip maker said Tuesday.

Under the agreement, National Semiconductor and Matsushita Communication Industrial Co. will join in the development of custom ICs designed to reduce noise in car stereos. The U.S. company will be responsible for manufacture and the Japanese firm for design, National Semiconductor said in a release made available in Tokyo.

Matsushita will begin importing the ICs next July at an initial pace of one million units a year and expand the scope of products subject to the agreement to other types of ICs used in car stereos.

The accord comes on the heels of talks between Japanese and U.S. chip suppliers in Tokyo in May where they agreed to set up a task force to expand imports of foreign semiconductor parts used in automobiles. The deal between National Semiconductor and Matsushita also coincides with Toyota's own efforts to boost imports of parts in a bid to help ease trade disputes involving auto parts.

Observers say the latest business tie is expected to be followed by similar deals between Japanese and U.S. companies.

National Semiconductor, based in Santa Clara, California, has a 12 percent share in the North American market for semiconductor products used in autos.

Spokesman Rules Out 'Concerted' Aid for USSR

OW0307104390 Tokyo KYODO in English 1021 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Japan will not go along with any concerted effort by industrialized nations at next week's Houston economic summit to give financial aid to the Soviet Union, a Foreign Ministry spokesman said Tuesday.

Taizo Watanabe said Japan is not in a position to extend "large- scale economic cooperation" to Moscow in the absence of a peace treaty between the two countries. "Our position is not to prevent others from extending aid (to Moscow) but if there is any sort of move to have some kind of concerted effort involving us all, then we have to exchange views and explain our position," Watanabe told foreign correspondents in a briefing.

Japan has long called for the return of three islands and a group of islets off its northernmost main island of Hokkaido that were seized by the Soviets at the end of World War II.

Financial aid to the Soviet Union, an idea being promoted by West Germany and France, is expected to be one of the major items on the agenda of the July 9-11 summit of seven major economic powers in Houston, Texas.

"Japan supports (the Soviet Union's) efforts in the direction of democratization and a free-market economy under the slogan of perestroyka," Watanabe said. In that spirit, he said, Japan has accommodated several Soviet economic survey missions and has been promoting "intellectual cooperation," the transfer of business management know-how, and other expertise needed by Moscow to implement a free market.

"Beyond that, if we are to extend any financial or other assistance to the Soviet Union, we have to take into consideration the fact that we have not concluded a peace treaty yet because of pending issues involving the northern territory," he said. "That will be a problem we've got to solve first before we can go into such a larger scale of economic cooperation with that country," he said.

PRAVDA Commentator's Suggestion Rejected

OW0307085390 Tokyo KYODO in English 0815 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Japan rejects a proposal in a major Soviet Communist Party publication that the disputed "northern territories" held by the Soviet Union be placed under United Nations trusteeship and proclaimed a special economic zone owned by both countries, Foreign Ministry Spokesman Taizo Watanabe said Tuesday.

He told foreign correspondents that before any such "technicalities" can be discussed, "a matter of principal should be cleared up."

Watanabe explained that the disposition of sovereignty over the disputed three islands and a group of islets held by the Soviets since the end of World War II should be the starting point for any proposed settlement.

"We insist that they do belong to Japan ... and that subject should be cleared up first."

Watanabe was commenting on a proposal for joint ownership under U.N. trusteeship that was advanced in last Sunday's edition of the Communist Party daily newspaper PRAVDA by political commentator Vsevolod Ovchinninkov. Ovchinninkov said the two countries could also discuss other variants that would be mutually acceptable.

"It is very interesting that such a journal as PRAVDA has carried that kind of article, in my memory for the first time," Watanabe said. "It is something we are watching carefully."

But the spokesman said that what must be focused on is what comes up in talks on the territorial issue between the two governments.

"We are not so sure that the view which is expressed in PRAVDA is going to be the view of the (Soviet) Government."

He said Japan expects that point to be clarified in upcoming talks with Moscow, either at the working level or during Soviet Foreign Minister Eduard Shevardnadze's visit to Japan in September.

USSR Says Trials for Illegal Fishing To End

OW0307080990 Tokyo KYODO in English 0743 GMT 3 Jul 90

[Text] Tokyo, June 3 KYODO—Soviet officials told Japanese consular representatives in Nakhodka that trials involving the crews of 10 detained North Korean-registered Japanese fishing boats are to conclude by the end of this week, Japanese Foreign Ministry officials said Tuesday.

Twelve fishing boats and 169 crew were taken to the Soviet Far East port for questioning after being seized on suspicion of illegal salmon fishing in the north Pacific in May. Two of the 12 boats, the No. 11 and No. 12 On Yang were confirmed by the Soviet authorities not to have been fishing illegally.

The Japanese Government is to ask the Soviets to release the Japanese crewmembers as soon as the trials end, the officials said.

However, the North Korean Government said that Japanese fishermen will be freed only once they return to Hung Nam Port in North Korea after being released from the Soviet Union, the officials said.

The Foreign Ministry may have to deal directly with North Korea on the handover of the Japanese fishermen if indirect negotiations take too much time, the officials added.

Reportage on PRC Loan Controversy Continues

Li Tieying Seeks Loan Resumption

OW0307094190 Tokyo KYODO in English 0851 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Visiting Chinese Communist Party Politburo member Li Tieying on Tuesday urged key Japanese ruling party officials here to unfreeze an 810 billion yen loan package to China. Li met separately with Ichiro Ozawa, secretary general of the Liberal Democratic Party (LDP), and Michio Watanabe, a former finance minister, and both men indicated the loan would be resumed.

Sources said Li told Ozawa that he hoped Japan would take the initiative in resuming the loan package, which was frozen in protest of last summer's bloody government crackdown on pro-democracy demonstrators in Beijing. Ozawa indicated the loan would be unfrozen but said it might take a while.

"The government will take necessary measures based on the long bilateral history between Japan and China," a government official said.

Watanabe, an LDP faction leader, told Li that he has asked U.S. President George Bush not to interfere with Japan's decision on the matter because Japan maintains special relations with China, the officials said.

Li arrived Japan last Saturday.

Kaifu Meets With CPC's Zhu Liang

OW0307072290 Tokyo KYODO in English 0706 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Prime Minister Toshiki Kaifu told Chinese Communist Party executive Zhu Liang Tuesday that he plans to ask the leaders of industrialized countries attending next week's Houston summit not to isolate China, and he urged China to make progress in democratization, a Foreign Ministry official said.

Zhu, head of the party's International Liaison Department, said that China has already achieved political and economic stability, the official said. "Confusion would affect surrounding countries too, so stable political administration is our first priority," Zhu was quoted saying during a 15-minute courtesy call on Kaifu.

Zhu, in Japan at the invitation of the ruling Liberal Democratic Party, said China attaches great importance to maintaining friendly relations with Japan.

The two did not discuss Japan's 810 billion yen loan package to China which has been in limbo since the violent suppression of pro- democracy activists a year ago in Beijing's Tiananmen Square. Japanese Government sources have said Tokyo plans to unfreeze the 1990-1995 program after the July 9-11 Houston summit. Kaifu is also expected to discuss the matter with U.S. President George Bush in a presummit meeting. The United States has said assistance to China should not exceed the level needed to meet basic human needs.

Zhu also met LDP officials including Kiichi Aiichi, head of the party's international bureau, at the LDP headquarters and asked Japan to provide economic cooperation to China as promised and to expand investment there.

The LDP officials criticized the military crackdown on pro-democracy demonstrators at Tiananmen Square, calling for Chinese efforts for more democratization to lift a ban on the Japanese yen loan package.

Zhu said the Tiananmen incident occurred under unavoidable circumstances.

Labor Leader Expresses 'Doubts'

OW0307061390 Tokyo KYODO in English 0549 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Prime Minister Toshiki Kaifu on Tuesday stressed the need for Beijing to make further efforts toward democratization and open-door policies in order for Japan to resume its stalled 810-billion yen loan package to China, government officials said.

In a meeting with Akira Yamagishi, chairman of the 8-million strong Japanese Trade Union Confederation (Rengo), Kaifu said that Japan is ready to implement the loan package for Fiscal 1990-95 promised by former Prime Minister Noboru Takeshita when he visited the country in August 1988.

Kaifu, however, added that Japan has urged the Chinese Government to take further steps to "create a better environment and to seek international understanding." Japan froze the loan package in protest against the Chinese military crackdown on prodemocracy demonstrators last June.

In the talks at the prime minister's official residence, Yamagishi called on Kaifu not to rush to resume loans to China. The labor leader said it is premature to lift the embargo on financial support for Beijing because doubts remain about the protection of the human rights of prodemocracy activists in China.

Kaifu met Yamagishi to hear the views of the leader of Japan's largest trade union group prior to the July 9-11 summit meeting of seven industrial nations in Houston, Texas. The prime minister is scheduled to depart Friday for the summit, at which it is expected that aid to China will be high on the agenda.

The Japanese Government has been sounding out the views of other summit participants on a possible lifting of the credit freeze after the summit.

In response to Yamagishi's call for further economic assistance from the Western Bloc to East European countries, Kaifu said that Japan will actively join hands with other nations in aid programs to those countries.

Kaifu, however, added that he will ask the other summit participants not to neglect economic assistance to Asian and African nations.

Abe Briefs Kaifu on U.S. Stance

OW3006223690 Tokyo NHK General Television Network in Japanese 1000 GMT 28 Jun 90

[Text] Shintaro Abe, former secretary general of the Liberal Democratic Party, visited Prime Minister Kaifu this afternoon to brief the prime minister on his recent trip to the United States.

During the meeting, Mr. Kaifu asked about the United States' position on the issue of Japan resuming the third phase of its yen loans to China. Mr. Abe said that President Bush was understanding about resuming the yen loans in view of China's recent decision to allow Mr. Fang Lizhi to leave the country. However, Mr. Abe also said that the atmosphere in the U.S. Congress is still negative toward resuming the yen loans.

Export-Import Bank Head Comments

OW0307033390 Tokyo KYODO in English 1339 GMT 2 Jul 90

[Text] Tokyo, July 2 KYODO—The head of the Export-Import Bank of Japan on Monday hinted at the possibility of resuming the bank's financial support for trade with China even under Japan's current economic sanctions against China, imposed after Beijing's bloody crackdown on prodemocracy demonstrators in early June last year.

"The bank is willing to reopen financial support for Japanese exporters who do business with China on a case-by-case basis, taking into account future developments of the situation there and the needs in the private sector," the bank's president, Mitsuhide Yamaguchi, told reporters.

In protest against the military suppression in Tiananmen Square on June 4, 1989, Japan followed Western countries and international bodies in imposing economic sanctions, including suspension of its 810 billion yen loans to the nation promised for Fiscal 1990-95.

Asked to comment on the recent release of China's most prominent dissident couple, Fang Lizhi and his wife, Li Shuxian, Yamaguchi said the Chinese action will help toward thawing the frozen relations between China and other countries. But he was cautious about resumption of direct large-scale loans, saying that the bank will handle the matter through talks with the Government, paying due attention to international opinion.

Yamaguchi also said the bank, jointly with the World Bank, plans to extend loans to Hungary to help further economic restructuring in that nation.

But he expressed a negative view of a Polish request for a write-off of its debts to Japan, saying that Japan will lend money to the country only on condition that Poland honors its obligations. In a tour to eight European countries in January, Prime Minister Toshiki Kaifu pledged Japanese financial aid for East European nations now under transformation toward more market-oriented economies.

Only Four Japanese Firms Sponsor Asian Games

OW0307093090 Tokyo KYODO in English 0853 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Only four Japanese firms have so far contracted with the 1990 Asian Games Organizing Committee to be among 40 official sponsors of the September 22-October 7 event in Beijing, committee officials said Tuesday.

Fuji Photo Film Co. will provide official films, Canon Inc. will provide cameras, facsimile and copier machines, Konica Corp. will supply videotape recorder, and ASICS Corp. will offer exercise machines. Their contribution would amount to some 6 million dollars.

Wang Zhiliang, deputy secretary general of the Organizing Committee, said the committee had expected more Japanese firms to help the coming games, but suggested South Korean firms would have a big presence instead.

Kaifu Seeks Improved Relations With DPRK

OW0307050690 Tokyo KYODO in English 1219 GMT 2 Jul 90

[Text] Tokyo, July 2 KYODO—Prime Minister Toshiki Kaifu asked Japan Socialist Party (JSP) officials Monday to convey to Pyongyang his desire for improved Japan-North Korean relations during a scheduled visit there by a JSP delegation later this month.

Meeting at the prime minister's official residence, Kaifu told JSP Vice Chairmen Makoto Tanabe and Wataru Kubo he wants to enter into talks to improve relations with North Korea "without any preconditions."

Kubo will head a JSP delegation to Pyongyang in mid-July for a five-day visit as part of the party's efforts to improve Japan-North Korea ties and win the release of two Japanese seamen detained by the North Koreans since 1983.

Tanabe asked Kaifu to respond to Pyongyang's wish to have the exclusion of North Korea eliminated from Japanese passports, access to Japanese communications satellites, and the application of preferential duties to North Korean goods.

Kaifu remarked, in return, there were limits to what he could accomplish but said he would consider the pending issues in order to answer with "sincere good faith."

The JSP plans to formally announce Thursday the details of its delegation's visit to Pyongyang.

Tanabe, saying the need for improved Japan-North Korea relations was "urgent" in light of international developments, urged the Japanese Government not to miss the chance for improved relations. "We will convey the thinking of the Japanese Government and we hope to extract a positive stance from North Korea," Tanabe said.

Kaifu added "I express my apologies for the past to the people of the Korean peninsula and hope to get on the path to government-level negotiations."

Tanabe said he would prepare to convey Kaifu's message to North Korean officials, adding he would keep in mind a proposed visit to Pyongyang this fall by former Deputy Prime Minister Shin Kanemaru.

The JSP, the nation's largest opposition party, is considered the lone political channel linking Japan and North Korea, which do not share diplomatic ties. The JSP has urged the Japanese Government to apologize to North Korea for Japan's 1910-1945 colonial rule of the Korean Peninsula.

Progress in Inter-Korean Dialogue Hailed

OW0307111090 Tokyo KYODO in English 1050 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Japan welcomes the outcome of talks between North and South Korea held earlier in the day and expressed Japan's hope to see a meeting between the prime ministers of the two sides realized "as soon as possible."

"We welcome and are gratified to see that a dialogue between the North and the South has taken place after a five-month hiatus," Foreign Ministry Spokesman Taizo Watanabe said.

Watanabe told reporters, "we hope that the proposed North-South high-level talks, between the prime minister, ... will be realized as soon as possible," Watanabe said.

The spokesman's remark followed an agreement between negotiators of the two protagonists on the ordering of an agenda for long-anticipated talks between North and South Korean Prime Ministers Yon Hyong-muk and Kang Yong-hun.

The two sides also agreed to meet friday to arrange a draft agenda and again on July 26 to sign a document leading to the unprecedented premiers' talks, which informed sources said could take place as soon as late August.

Watanabe noted that the talks, which took place in the truce village of Panmunjom, "come as the situation surrounding the Korean peninsula has entered into a new stage."

He said Japan would like to do whatever it can to create an atmosphere conducive to the promotion of dialogue between the two Korean rivals.

Further on Visit by Peru's President-Elect

Kaifu Offers To Send Advisers

OW0307050090 Tokyo KYODO in English 1117 GMT 2 Jul 90

[Text] Tokyo, July 2 KYODO—Prime Minister Toshiki Kaifu offered to send advisers and an economic mission to Peru in a meeting Monday with Peru's President-elect Alberto Fujimori.

But the prime minister left unanswered a request for Japan's backing in procuring special loans from the International Monetary Fund (IMF) to help stabilize Peru's troubled economy, a Foreign Ministry official said.

"In technical cooperation and grant aid, Peru is the most important country in Latin America," Kaifu was quoted as saying.

Fujimori asked Kaifu to support his request to IMF Managing Director Michel Camdessus for "bridge loans" to tide over the economy, ravaged by inflation which last year reached 2,775 percent.

Peru has been ineligible for fresh loans because of its refusal to make repayments on some 17 billion dollars in external debt. In New York last week Fujimori vowed to return to the international financial community and end five-years of estrangement.

Kaifu, in the 40-minute meeting, invited Fujimori to return to Japan next year as a state guest for more in-depth discussions, but did not directly respond to his plea for support in international financial organizations.

Fujimori, emerging from his first meeting with a foreign head of government since the June 10 election, told reporters the two countries have taken "the first step toward greater cooperation."

"I found (Kaifu) very receptive and understanding of our problems," Fujimori said in an impromptu media interview conducted in his native language Spanish.

Kaifu told Fujimori that substantial economic and social reconstruction is needed in Peru, and said Japan would dispatch experts to assess how Tokyo can best assist, the Foreign Ministry official said.

Kaifu accepted Fujimori's request to seek the understanding of leaders of the world's seven major industrial nations on the plight of Latin American debtor countries at next week's summit meeting in Houston, Texas.

The prime minister, who once traveled to Peru when he was head of Japan's Volunteer Youth Corps, cemented the new relationship by inviting Fujimori to feel free to keep in touch by telephone or letter if there are matters he wishes to discuss, the official said. Kaifu also said Japan is considering concrete assistance for Peru's drought-stricken farmers.

Fujimori told Kaifu he would like to attend Emperor Akihito's enthronement ceremony, scheduled for November, the official said, and invited Kaifu to attend his inauguration set for July 28. Kaifu promised to send a representative to the event, but said he would be unable to attend in person.

Earlier in the day Emperor Akihito told Fujimori the Japanese people are delighted that he is to be Peru's first president of Japanese descent, government officials said.

In the 25-minute meeting Fujimori invited the Emperor to visit Peru.

Fujimori is to meet International Trade and Industry Minister Kabun Muto and leaders of the Federation of Economic Organizations (Keidanren) on Tuesday.

The 51-year-old son of Japanese emigrants will also travel to Kumamoto in Kyushu, the hometown of his parents, before leaving for home Thursday.

Fujimori declined an invitation by a flock of journalists gathered in the entrance of the prime minister's official residence to make some remarks in Japanese, saying his Japanese is rusty. "I speak with a Kumamoto accent, and people in Tokyo wouldn't understand me," he said.

Fujimori, who turns 52 on his inauguration day, is the first ethnic Japanese to be elected leader of a foreign country.

Fujimori also met at the Foreign Ministry for 20 minutes with Chief Cabinet Secretary Misoji Sakamoto, who is serving as acting foreign minister during Foreign Minister Taro Nakayama's attendance at the G-24 meeting on aid to Eastern Europe in Brussels. Sakamoto invited Fujimori to pay another visit next year, after assuming office as president, as a state guest, officials said. He invited Sakamoto to attend his own inaugural ceremony July 28. Sakamoto indicated that his schedule would not allow for such a visit, but added that Japan intends to dispatch a special envoy.

Fujimori also met with Akira Nishigaki, head of the Overseas Economic Cooperation Fund (OECF), an implementation agency for Japan's Official Development Assistance (ODA). Officials said Fujimori outlined the severe economic troubles that have beset his nation. He said he intends to work for economic reconstruction in cooperation with international financial institutions. Fujimori also said he hopes to implement his plans in an appropriate manner with the assistance of other governments on a bilateral basis and with the help of the overseas private sector. Nishigaki asked Fujimori to put in place the necessary conditions for the OECF to extend cooperation to Peru, officials said.

In an afternoon meeting with Finance Minister Ryutaro Hashimoto, Fujimori repeated his call for active financial assistance from Japan, including bridging loans, to facilitate restructuring of the Peruvian economy, which he sees as is in jeopardy. In response to the request, however, Hashimoto stopped short of pledging all-out support, saying neither the OECF nor the Export-Import Bank of Japan, the main windows of Japan's overseas assistance, are legally allowed to provide such stop-gap loans. But Hashimoto was positive toward a proposed economic mission to Peru aimed at helping with an economic reorganization plan to be forged between the country and the IMF and the World Bank.

Fujimori Meets MITI Minister

OW0307110290 Tokyo KYODO in English 0957 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—If Peru pays off its international debts, Japan would be willing to give it significant economic aid, Peruvian President-Elect Alberto Fujimori was told Tuesday by Japan's trade minister. For now, however, Peru will have to settle for grants and technological aid, said International Trade and Industry Minister Kabun Muto, MITI [Ministry of International Trade and Industry] officials said. "If Peru meets the international obligations concerning its arrears in debt payments to such organizations as the International Monetary Fund (IMF) and the World Bank, Japan will be ready to make drastic commitments to other categories of assistance," Muto told Fujimori.

Fujimori said he hoped for aid from Japan when the environment is ripe, the officials said.

Peru owes 17.5 billion dollars to foreign creditors, including the IMF and the World Bank.

Japan suspended yen loans to Peru in 1983 in a concerted action with the IMF, other lending organizations, and private creditor banks, after outgoing President Alan Garcia limited debt payments to less than 10 percent of Peru's annual exports.

During their 30-minute meeting, Muto also told Fujimori the ministry plans to send a fact-finding mission to Peru to study the country's economic health. The mission will be headed by the director of the ministry's Oceania-Latin America office.

A private-sector mission is to visit the country in August, Muto said.

Fujimori Welcomed by Legislators

OW0307112490 Tokyo KYODO in English 1031 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Peruvian president-elect Alberto Fujimori met Japanese Diet members Tuesday in a brief welcoming ceremony attended by Prime Minister Toshiki Kaifu.

Kaifu, joined by about 100 legislators including former Prime Minister Noboru Takeshita, expressed high hopes for Fujimori's campaign to revitalize his country, saying Japan would assist "as far as possible."

Fujimori, greeting the legislators in a few words of faltering Japanese, noted his visit to Japan came some 60 years after his parents left the southern Japanese village of Kawachi in Kumamoto Prefecture, southern Japan, for new lives in Peru.

The president-elect also drew comparisons between the culture of Peru's native Incas and Japan before requesting closer economic ties between the two nations.

Kaifu, in a meeting the previous day with Fujimori, pledged to send economic advisers to Peru but made no concrete promises of money to deal with the country's debt burden.

Japanese officials are wary of showing too much favoritism to Fujimori because of his Japanese heritage but are expected to cull private and public funds to aid Peru's recovery, informed sources said.

The previously little-known agronomist swept to victory over opponent and novelist Mario Vargos Llosa in early June, heavily backed by the masses of Peru's rural poor. He will assume office July 28.

KYODO Examines Increased Foreign Investment

OW0307021390 Tokyo KYODO in English 0139 GMT 3 Jul 90

[By Hidesuke Nagashima]

[Text] Tokyo, July 3 KYODO—While Japanese investment overseas is booming, foreign investment in Japan is starting to grow.

Foreign direct investment—in plants and ventures—in Japan remains much lower than comparable Japanese investment overseas, but Japanese officials say it is on the rise. In the year ended last March, it amounted to only one twenty-third the value of Japanese outward investment, according to the latest survey published by the Finance Ministry.

The Japanese Government is moving to remedy the imbalance, having pledged at the recent Structural Impediments Initiative talks in Tokyo to pursue measures facilitating foreign investment in Japan.

Japan has no legal barriers to foreign investment, except reservations on the agriculture-forestry, leather, mining, and oil industries under the Organization for Economic Cooperation and Development (OECD) Code on Liberalization of Capital Movements as well as the security-related arms and nuclear power industries. The real problems for foreign firms entering the Japanese market are the yen's increased value (meaning higher costs for them), surging land prices, and serious manpower shortages amid continued business expansion, Japanese officials say.

But Yasuhiko Sasai, director of the International Economic Affairs Division at the semigovernmental Japan External Trade Organization (JETRO), says,"Despite such problems, we believe foreign investment in Japan will grow in the coming years. To survive and continue growing in the global market, foreign companies cannot afford to ignore the lucrative Japanese market."

The Finance Ministry report showed that the value of direct foreign investment in Japan in Fiscal 1989—ended last March—fell 11.8 percent to 2,860 million dollars but that the number of investment projects rose 33.3 percent to 5,688. The value trebled the comparable figure three years earlier.

Officials say that the year-to-year fall in investment value was a correction counteracting a 46.5 percent surge in the previous year and that foreign investment in Japan remains on a strong uptrend.

Finance Ministry data also shows that manufacturing industries invested 1,172 million dollars of the total, and nonmanufacturing industries 1,688 million dollars.

The investment was concentrated in high-growth industrial sectors.

Conspicuous among investment by manufacturers was that by machinery industries, totaling 808 million dollars, or 28.3 percent of the total. The figure includes investment by the fast-growing electronics industry, which another official survey showed recorded an average 14.4 percent ratio of pretax profits on sales.

In the nonmanufacturing sector, investment in real estate industries registered a whopping 9.24-fold increase to 647 million dollars amid the Japanese real estate business boom. The value represented 22.6 percent of the total investment in Japan.

Among other industries, trading and commercial industries accounted for 19 percent of the total, chemical industries 7.1 percent, and financial and insurance industries 6.3 percent.

North American investment represented 58.6 percent of the total, European 21.9 percent, and others 10.4 percent.

Foreign companies investing in Japan have such options as joint ventures with Japanese companies, establishing wholly-owned subsidiaries, and mergers and acquisitions [M and As]. M and As by foreign firms in Japan, however, are the least common. According to a report by Yamaichi Securities Co., the number of foreign firms' M and As of Japanese firms in 1989 totaled only 15, while comparable cases by Japanese firms overseas amounted to 404—including Sony Corp.'s acquisition of Columbia Pictures Entertainment Inc. and Mitsubishi Estate Co.'s takeover of the Rockefeller Group.

In a major M and A by a foreign company, the British conglomerate Polly Peck International took over Japan's financially troubled Sansui Electric Co.

Experts note that M and As by foreign firms are not easy, because Japanese stock prices are internationally very high, Japanese companies are generally doing well financially, and many Japanese companies enjoy stable stock ownership. However, JETRO's Sasai says the business environment in Japan is changing and "M and As by foreign firms are expected to become increasingly common in the years ahead."

While foreign investment has been making slow inroads in comparison with Japanese investment overseas, foreign companies already in the Japanese market are reaping handsome payoffs, according to a report published by the Ministry of International Trade and Industry (MITI) last December. The survey showed that foreign companies, which accounted for only 1 percent of total corporate sales in Japan, reported an average 6.8 percent ratio of pretax profits on sales—more than double the 2.8 percent reported by Japanese companies. In the high-growth electronic industry, foreign companies outperformed Japanese firms 14.4 percent to 4.7 percent in the same ratio.

A total of 1,282 companies responding to a questionnaire for the survey reported total sales of 12.293 trillion yen and employed 169,000 workers.

Government Reports Insufficient Consumer Benefits

OW0307073290 Tokyo KYODO in English 0603 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Japanese Government policies to promote economic restructuring have failed to yield sufficient benefits to consumers over the past year, a government report urging greater efforts to revise Japan's industry-first orientation, said Tuesday.

The recommendations were made by a joint government and ruling Liberal Democratic Party committee on economic restructuring headed by Prime Minister Toshiki Kaifu.

Economic indicators for Fiscal 1989 (April 1989-March 1990) showed improvements in disposable income and length of working hours, the report said. But in many areas the advances were less than in the previous year.

Disposable income was up 1 percent in Fiscal 1989, down considerably from a 4.3 percent increase the previous year and the smallest gain since the committee began tracking the impact of economic restructuring policies in 1985.

Working hours dropped by 1 percent for their sharpest decline since 1985 and an indication that workers are taking more holidays. But the same workers clocked up just as many overtime hours as in the previous year when they peaked at 188 hours, 11 hours more than in 1985.

And the average price of land continued to soar, reaching 183 compared to 1983 prices set at 100, although prices in central Tokyo—the only area to mark a decline—were leveling off (down 0.3 percent) following a 6.3 percent decrease the previous year.

Trade statistics showed more marked changes.

The trade surplus fell from 95 billion dollars to 70 billion dollars, showing the largest decrease since the surplus peaked at 102 billion dollars in 1986. Manufactured items as percentage of imports leveled off at 50.4 percent, up 0.7 percentage points from the previous year, but the smallest increase since 1985 when manufactured goods represented only 31.5 percent of all imports.

Overseas investments marked their biggest leap ever, rising 43.6 percent to 67.5 billion dollars and more than five times the 12.2 billion dollars invested abroad in 1985.

But foreign investment in Japan dropped from 3.2 billion dollars in Fiscal 1988 to 2.9 billion dollars last year.

Kaifu asked the committee to continue implementing policies aimed at expanding domestic demand and reducing the cost of living as well as realizing structural changes pledged to the United States in Structural Impediments Initiative trade talks that concluded last week.

The prime minister said he intends to explain Japan's policies and discuss how to coordinate economic policies internationally in meetings with leaders of seven industrialized democracies during next week's summit in Houston, Texas.

Motor Vehicle Sales Set 'New Record'

OW0307063590 Tokyo KYODO in English 0915 GMT 2 Jul 90

[Text] Tokyo, July 2 KYODO—Japan's sales of cars, trucks, and buses set a new record in the first half of this year, as buoyant domestic demand helped kill the adverse impact of the triple demerits of yen, stock, and bond prices early this year, an industry association said Monday.

The Japan Automobile Dealers' Association said sales of these types of vehicles, excluding mini cars, totaled 3,057,141 in the January-June period, a 13.4 percent jump from 2,696,384 vehicles registered in the corresponding six months last year.

The high sales were largely due to continuously strong personal consumption for cars, especially for those with an engine size of more than 2,000 cc, reflecting the consumer's increasing urge for luxury, the association said.

The robust showing will also lead the association to revise upward its original estimate at the beginning of the year of total sales for 1990 at 5.93 million vehicles, up 1.5 percent from 1989, industry sources said.

By category, sales of cars increased 15.5 percent from the previous year to 2,217,224 vehicles, with those of cars with more than 2,000 cc engine capacity nearly doubling to 200,103 vehicles. Sales of cars below 2,000 cc also grew 11.1 percent to 2,017,121 vehicles. Sales of trucks rose 8.2 percent to 826,546 vehicles, while those of buses amounted to 13,371 vehicles, a 2.0 percent increase.

By manufacturer, Toyota Motor Corp. sold 14.4 percent more automobiles in the six months than the first half of 1989, while Nissan posted an 11.8 percent sales rise in the period. Sales by Honda Motor increased 13.7 percent from the previous year's level, while those of Mazda Motor expanded 21.6 percent.

At the same time, the association reported that sales of motor vehicles in June grew 5.6 percent from a year earlier to a record 536,731 vehicles, making June the 16th consecutive month in which sales exceeded those of the corresponding month in the previous year.

Dutch Minister Requests Freeze of CO2 Emissions

OW0307123690 Tokyo KYODO in English 1202 GMT 3 Jul 90

[Text] Tokyo, July 3 KYODO—Dutch Environment Minister Hans Alders requested Tuesday that Japan freeze its carbon dioxide emissions at 1990 levels to help combat the threat of global warming. Alders made the request during discussions with Japanese Environment Agency Director General Ishimatsu Kitagawa, officials said.

Kitagawa avoided committing himself to particular limits but said Japan must work together with the European Community (EC) on such issues.

A Japanese pledge to freeze emissions at current levels would put pressure on the United States, which has yet to commit itself to stabilized carbon dioxide levels, fearing adverse effects on economic performance.

Japan's present level of carbon dioxide output stands at 850 million tons and Tokyo has pledged to reduce emmissions to the "lowest possible levels" by 2000. Officials are to release a detailed outline of targets this fall.

A computer-generated study released in May by the environment agency says a freeze at the 1990 level could be effected while still maintaining a 4 percent annual growth rate in gross national product (GNP). Ministry of International Trade and Industry officials say, however, that stabilization is not possible till the year 2010.

At a press conference earlier the same day, Alders said stabilization of CO2 levels was a matter of "political will" not economics.

Scientists say the buildup of carbon dioxide in the upper atmosphere prevents heat from escaping the earth, contributing to the global warming or "greenhouse" effect.

No Difficulties Seen in Stopping CFC Use

OW3006064490 Tokyo KYODO in English 0526 GMT 30 Jun 90

[Text] Tokyo, June 30 (KYODO)—Japanese industries are confident they can manage to stop using ozone-destroying chlorofluorocarbons (CFCS) by the year 2000 under an agreement reached by an international environmental conference Friday, industry sources said Saturday. The companies said they have been stepping up preparation for total elimination of CFCS amid increasing awareness in recent years of the urgent need to preserve the ailing global environment.

Representatives from industrial and industrializing nations around the world agreed Friday night at the end of a three-day conference in London to stiffen the 1987 Montreal Protocol on reducing production of CFCS. The amended protocol calls for a 50 percent phasing out of CFCS by 1995, an 85 percent cut by 1997, and total elimination by the year 2000.

Major Japanese cosmetics makers, such as Shiseido Co. and Kanebo Ltd., have already stopped using CFCS in aerosol sprays since last year. "We have no CFC-containing products on the market now," a Kanebo official said.

Chemical and semiconductor manufacturers are also shifting away from CFCS. Shin-etsu Chemical Co., which makes semiconductors, plans to switch to chemicals other than CFCS for use as semiconductor cleansers by 1995. Mitsubishi Kasei Corp. is also considering doing away with the harmful chemical.

CFC makers, meanwhile, are in a fierce race to develop substitutes for CFCS, which they believe is possible technologically but presents them a problem of how to meet the huge cost.

Mongolia

Opposition Leader Leaves for London

OW0307095190 Ulaanbaatar International Service in English 0910 GMT 3 Jul 90

[Text] Member of the Presidium of the Chief Coordinating Committee of the Mongolian Democratic Association Elbegdorj has left for London at the invitation of the Lord House [House of Lords]. He will take part in an international discussion organized by the house dealing with the problems of peace, security, the role of new political forces in the East.

SDP Makes Demands for Election Participation

OW0207142690 Ulaanbaatar International Service in English 0910 GMT 2 Jul 90

[Text] The Social Democratic Party [SDP] of Mongolia made five demands as obligatory conditions of its further participation in the ongoing elections to the people's hurals. They demand to clarify the function of the Small and Great Hurals; the kind of subsidy which the Mongolian People's Revolutionary Party got from the state in the period since the adoption of the Law on Political Parties; study the question of the Mongolian People's Revolutionary Party organizations in the Army; finance preelection campaign of all parties at state expenses; and invite foreign observers to the elections.

The Social Democratic Party intends to get answers to its demands on July the 6th. Judging by the outcome of the final stage of the elections, nomination of candidates, the Social Democratic Party comes up to the Mongolian

People's Revolutionary Party and the Mongolian Democratic Party. [sentence as heard]

Commission Reports to MPRP on Tsedenbal Regime

OW0107100990 Ulaanbaatar International Service in English 0910 GMT 30 Jun 90

[Text] The Mongolian People's Revolutionary Party Central Committee has held its third plenum and heard the report of a special commission on political estimation of the activity of encirclement of the ex-party and state leader Tsedenbal. Over the past two [words indistinct] the commission had got acquainted with the activity of 40 figures of Tsedenbal's encirclement. The authoritarian and bureaucratic regime developed in Mongolia was the direct copy of the Stalin model of socialism in the Soviet Union. Tsedenbal, as the historical personality, was the product of social system of his time, and his convictions, views, and trend of the socio-political activity, methods, and style of work did not greatly differ from those of leaders of the other socialist countries. Thus, he was not a (?great) in the history of Mongolia, noted the commission.

'Official Powers' Criticized on Unemployment

OW0107094890 Ulaanbaatar International Service in English 0910 GMT 30 Jun 90

[Text] The number of jobless people in Mongolia is expected to stand at 60 to 70,000 people, or seven to eight percent of the able-body population of the country. This was said at a press conference in Ulaanbaatar by leader of the Union of Jobless People of Mongolia, Mr. Batsukh. He explained this by forced staff reduction at some industrial enterprises that are dependent on Soviet suppliers. Today, the Soviet Union suffers acute supply shortage.

Mr. Batsukh has criticized Mongolian official powers for not having a concrete plan of settling the problem of 27,000 jobless people in the country.

Party of Mongolian Buddhists Established

OW0107100890 Ulaanbaatar International Service in English 0910 GMT 30 Jun 90

[Text] Another political party, the Democratic Party of Mongolian Buddhists, has reported to be founded in Mongolia. The new party will represent political interests of Mongolian believers and will promote the restoration of traditions of Buddhist religion in Mongolia.

The Party of Mongolian Buddhists became the seventh to date political party in the country.

Buddhist League of Believers Holds Congress

LD0107114390 East Berlin ADN International Service in German 0948 GMT 1 Jul 90

[Text] Ulaanbaatar (ADN)—With a prayer by Buddhist monks for the well-being of all the people of the world, the first congress of the Mongolian League of Believers opened today in Ulaanbaatar. The task of the congress is to pass a statute and a platform.

The league mainly comprises followers of Buddhism, whose teachings are based on harmony in society and between man and nature. In addition, it is in favor of freedom of conscience and free profession of faith for all citizens of the country.

Program Approved

LD0307074590 East Berlin ADN International Service in German 0600 GMT 3 Jul 90

[Text] Ulaanbaatar (ADN)—The Mongolian League of Believers is to advocate overcoming the crisis in religious thought and protecting the interests of its 75,000 members. Sandagiyn Bayandzagaan, elected chairman at the league's first congress, emphasized in his report that a start had been made in his country for religion to regain its former position of respect. The conduct of Mongolian believers is guided by the Buddhist teaching "do no evil, practise charity, control your own soul."

The 700 delegates approved a program which commits the league to work independently of the influence of political parties and federations and to work with them in representing the interests of believers. According to the statute, any believer can be a member, regardless of race, nationality, origin, age, or sex.

North Korea

Reportage on Preliminary DPRK-ROK Meeting

KCNA Details Opening

SK0307045990 Pyongyang KCNA in English 0445 GMT 3 Jul 90

[Text] Panmunjom July 3 (KCNA)—The seventh preliminary talks for North-South high-level political and military talks opened in Panmunjom at 10:00 today when the desire of the nation for the independent and peaceful reunification of the country is growing more intense than ever before and the expectation of the people at home and abroad from North- South dialogue is running ever higher.

The delegations from the North and the South side to the preliminary talks for North-South high-level political and military talks had six rounds of preliminary talks here from February 1989 to January 1990. The fruitless lapse of one year and a half during which the preliminary talks broke up and reopened time and again was ascribable to the large-scale "Team Spirit" joint military exercises staged by the South side in league with the United States, which posed as a threat to the dialogue partner.

Through the preliminary talks held hitherto, the sides agreed upon nearly all points including the title of the talks, except the agenda.

Flights Proposed for Next Round

OW0307041890 Tokyo KYODO in English 0345 GMT 3 Jul 90

[Text] Panmunjom, July 3 KYODO—North Korea proposed to South Korea Tuesday that both countries use direct flights between Pyongyang and Seoul in holding bilateral prime minister-level talks in the future, informed sources said.

Paek Nam-chun, who heads the North Korean delegation at the seventh preparatory meeting for the premier-level talks at the truce village of Panmunjom, suggested delegates to the premier-level talks would fly directly between Sunan Airport in Pyongyang and Kimpo Airport in Seoul by opening the first direct air route between the two cities.

The sources said they ended the prepartory meeting at 11 AM with agreement to hold another meeting on July 26. According to South Korean sources, both parties virtually agreed to hold a meeting of prime ministers. They reached agreement on the order of agenda items for the top-level talks, the sources said.

Delegate Gives Keynote Address

SK0307055790 Pyongyang KCNA in English 0504 GMT 3 Jul 90

[Text] Panmunjom July 3 (KCNA)—Head of the North side's delegation Paek Nam-chun, in his keynote speech at the seventh preliminary talks for North-South high-level political and military talks now open in the South side's portion of Panmunjom, made clear our stand on the working procedures of the full-dress talks and proposed a memorandum of agreement (draft) on the opening of the North-South high-level talks.

Recalling that, through the preliminary talks held so far, the sides had agreed upon nearly all the points including the title of the talks, except the agenda, he said: What is still pending is whether to give priority to the removal of political and military confrontation or to multi-faceted cooperation and exchange in formulating the agenda.

Paek Nam-chun noted:

In this regard we insist on giving priority to the removal of political and military confrontation, while the South side insists on letting each side stipulate it as it thinks fit. Thus the difference between the sides is not narrowed.

If the sides define the agenda as they think fit, it will give wrong impressions to the people at home and abroad and so we must produce a single agenda and make it public to the world.

Noting that the removal of political and military confrontation is an urgent matter of essential significance in opening a phase of the improvement of North-South relations and detente and reunification, he urged the South side to agree to adopting the agenda "on the removal of North-South political and military confrontation and realisation of multi-faceted cooperation and exchange".

Paek Nam-chun elaborated on the question of entry into the United Nations, one of the outbanding questions awaiting an urgent solution between the two sides as regards the opening of the full-dress talks.

The South side argues that the North and the South should simultaneously enter into the United Nations or the South should get unilateral membership, while the North side insists that a reunified, one Korea should enter it.

Saying that we must never let the question of U.N. membership cause unhappy consequences, the head of our side's delegation formally proposed to the South side to discuss first of all the matter of U.N. measures within the framework of the agenda of the full-dress talks, when the first North-South high-level talks open.

Then the head of our side's delegation proposed a memorandum of agreement (draft) on the opening of North- South high-level talks which is based on the points agreed upon hitherto by the two sides and in which they are supplimented and arranged.

The memorandum of agreement (draft) says:

The title of the talks shall be "North-South High-Level Talks".

The first talks shall be held within one month after the conclusion of the preliminary talks and the date of the second talks shall be decided together with the date of the first talks and the date of the next talks be designated at each round of the talks through agreement.

The talks shall be held alternately in Pyongyang and Seoul and the first talks shall be held in Seoul and the second talks in Pyongyang.

The agenda of the talks shall be "On the Removal of North-South Political and Military Confrontation and Realisation of Multi-Faceted Cooperation and Exchange".

Each delegation shall be headed by the premier and be composed of seven delegates of minister and vice-minister level.

The delegation shall have two military delegates or less who should include the chief of general staff of the Army and their number shall be decided by each side as it thinks fit. The suite members to the talks shall number 33 and reporters 50.

The talks shall be held in public or in camera. The talks shall mainly be held between the delegations and, if necessary, tete-a-tete between the premiers of the two sides and talks of different fields may be held within the framework of full-dress talks.

The delegations shall stay in the opposite side's areas for three nights and four days, which may be readjusted through agreement.

The agreement will take effect from the date when it is exchanged after being signed.

Besides, the memorandum of agreement specifies the adoption of an agreement, recording of the talks, report of the talks, guarantee of safety, formalities of visits between the North and the South, news coverage, offer of conveniences, etc.

Solidarity Group Supports Reunification Cause

*SK0307090290 Pyongyang KCNA in English
0805 GMT 3 Jul 90*

[Text] Pyongyang July 3 (KCNA)—The Tri-Continental People's Solidarity Organisation called upon all the progressive forces around the world to support the Korean people's just cause of national reunification.

The organisation said this in a statement adopted at a meeting for solidarity with the Korean people held in Havana on June 28 on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

The statement says that on June 25, 1950, the U.S. imperialists provoked a barbarous war of aggression against the DPRK only to suffer an ignominious defeat.

Over the past 45 years, it goes on, they have schemed to perpetuate the division of Korea and are persistently manoeuvering to keep hold on South Korea as their colony.

The statement expresses full support for the struggle of the Korean people for national reunification, hailing the proposal to pull down the concrete wall and realise free travel and complete opening between the North and the South and the five-point policy for national reunification which were set forth by the great leader President Kim Il-song.

Hanminjon Calls 29 Jun Declaration Deceptive

*SK0307000190 Pyongyang KCNA in English
1517 GMT 2 Jul 90*

[Text] Pyongyang July 2 (KCNA)—A spokesman of the Central Committee of the South Korean National Democratic Front (Hanminjon) said that No Tae-u's "June 29 declaration" was full of lies from beginning to end and a rigmarole to deceive the people, according to radio "Voice of National Salvation."

He said this in a statement issued on June 28 in connection with the lapse of three years since the traitor No Tae-u announced the "declaration."

The No group has framed up the "Democratic Liberal Party" and schemed for long-term office with the plot for "constitutional revision for the parliamentary cabinet system," now denying "direct presidential election" he promised in his "June 29 declaration," the statement pointed out, and continued:

The traitor No is handcuffing honest-minded forces for reunification and working frantically to realize the "northern policy" and seek "unilateral U.N. membership" for the creation of "two Koreas" plot. No's three-year behaviour after the announcement of his "declaration" was the zenith of the colonial fascist dictatorship and the acceleration of the moves to freeze the national split.

The statement called upon all the people to rise up to topple the No "government" for independence, democracy and reunification.

It was just the United States that gave him the script of the "June 29 commitments" to tide over the crisis.

The people should wage a vigorous anti-U.S. struggle to expel Gregg, governor-general of South Korea, a colony, and the U.S. troops, a cancer of reunification, from this land and scoop out U.S. domination and intervention, the statement stressed, and said:

Hanminjon solemnly declares that the anger of our people who have been taken in by the "June 29 declaration" will sooner or later burst into the second June resistance which puts an end to American domination and the No military dictatorial "regime."

Korean Scholars Overseas Issue Unity Declaration

*SK0207051890 Pyongyang KCNA in English
0459 GMT 2 Jul 90*

[Text] Pyongyang July 2 (KCNA)—The 12th Symposium of Korean Scholars Overseas for National Reunification adopted a Tokyo declaration for the promotion of national reconciliation and unity and reunification.

The Korean people who have defended the 5,000 year long history of the nation have recognized only one nation and one country even after the territory of their country was divided by outside forces and will never tolerate "two Koreas" in the future either, the declaration says.

Noting that the internal forces of our nation play a decisive role in the settlement of the Korean reunification question, it declares that no alien forces and international factors can take the place of our nation in reunification efforts.

It says that the nuclear weapons of the United States deployed in the South of the Korean peninsula must be withdrawn, the present unstable armistice agreement be replaced by a peace agreement, the U.S. troops be pulled out of South Korea and the armed forces of the North and the South be drastically reduced.

The "National Security Law" defining the North, the same nation, as an "anti-state organisation" and other anti- communist, anti-North institutional machines must be abolished immediately and the concrete wall built in the area south of the truce line be pulled down.

The declaration calls for holding high the flag of national reunification against the freezing of division and appeals to the Koreans in all regions and countries around the world to unite as one under this flag.

Keynote Report Presented

SK0207054990 Pyongyang KCNA in English 0504 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—The 12th Symposium of Korean Scholars Overseas for National Reunification was held in Tokyo over June 9-10.

Choe Ki-hwan, representative of the Minjung Publishing House in Switzerland, made a keynote report on the subject "Let us achieve national reconciliation and unity and further accelerate national reunification."

Outlining first the trend of the present international situation, he said our option in responding positively to the surrounding situation at the present juncture is to promote reconciliation and unity of the whole nation.

There is no internal need for our nation which has lived as a homogeneous one through the 5,000 year long history to remain divided and stand in confrontation with each other now, and there is no reason why it should not unite into one, not restore the bond of national affinity severed by outside forces, he said.

It is necessary to clearly see the true worth of national reconciliation and unity, he said, and went on:

Firstly, national reconciliation and unity is an internal affair, not an external one.

As far as the reconciliation of a nation is concerned the third party is neither entitled to nor should intervene.

To seek in the international community "simultaneous" or "unilateral admission to the United Nations" while the divided nation remains in confrontation is an act of paving the way for the moves of outside forces against reconciliation of our nation and for its permanent division.

We will strive to frustrate the South Korean ruling quarters' "unilateral admission" to the UN at any cost and ensure that the North and the South have one seat in the UN if they should enter it before the national reunification is achieved. Only then will it be possible to dispel confrontation and antagonism and achieve national reconciliation and unity.

Secondly, national reconciliation and unity is an issue of the whole nation, not an issue confined to the ruling authorities.

It is unreasonable to brand heretical in the name of "national security" any attempts of the fellow countrymen in the North and the South at sharing each other's feelings, approaching and mixing together with each other, and to make dialogue a monopoly of power and thus intercept free exchange of people's minds.

I hold that the way of national reconciliation and unity we must determine and achieve without fail is to pull down the wall of division cutting across the peninsula at its waist and realize mutual opening between the North and the South Korean society.

Referring to some immediate tasks to realize the mutual opening and promoting national reconciliation and unity, the reporter said it is necessary, firstly, to ease the military tension and create a climate for detente and peace on the peninsula.

Since it is the reality that the tide of nuclear arms cut and disarmament is running high in other regions, the U.S. nuclear bases in the South of the peninsula must be dismantled, he said, stressing: There is no reason whatsoever for the U.S. forces to remain in the South.

Secondly, he went on, it is imperative to remove all the obstacles lying in the way of free exchange between the North and the South. I consider that it is high time we decided to remove all the barricade lying along the truce line, including the concrete wall and barbed wire entanglements.

Thirdly, it is important to promote North-South dialogue in a new dimension, the reporter said, adding:

Reconciliation and reunification of the North and the South is not a question to be dealt with only by some specific quarters, but a great cause involving the whole nation. Hence, civilian-level dialogues must not be curbed but actively facilitated.

In this sense, a nationwide conference planned by the dissident democratic forces in the South to mark the 45th anniversary of the August 15 liberation should be brought to a success without fail.

Fourthly, it is necessary to further develop the national democratic movement in the South, the reporter said.

He went on:

Under the conditions where the anti-democratic, anti-national conservative coalition has come into being the national democratic forces should counter it with a grand alliance.

It is required to strengthen the organizational unity of the national democratic forces and merge them with not only all the dissident democratic forces but even the conscientious institutionalized opposition forces to form a grand democratic alliance and put pressure on the United States and the dictatorial power of the "Sixth Republic" by their concerted efforts and achieve national reconciliation and unity between the North and the South.

Mentioning tasks facing the movement of Koreans overseas, he stressed the need to tear down the wall between Koreans residing on the five continents and achieve great national unity transcending ideology and religious belief.

He also stressed the need to further activate solidarity and tieup with the international democratic forces which sympathize with and support the reunification of our nation and carry on all possible activities in all regions and countries where Koreans live against the attempts to make the division of our country, the existence of "two states," a reality and a fait accompli and freeze it.

South's Arrests for Bribetaking Called 'Trick'

SK0307054190 Pyongyang KCNA in English 0449 GMT 3 Jul 90

["Trick To Maintain Dictatorship"—KCNA headline]

[Text] Pyongyang July 3 (KCNA)—The South Korean puppets detained Kim Sang-cho, charging him with having taken a bribe amounting to 84 million won when he was the "governor" of North Kyongsang Province.

They also reportedly started investigation into 20 civil servants including Kim Ha-kyong, former "administrator of the office of railways".

This is nothing but a trick to calm the complaints of the South Korean people about the real estate speculation and irregularities of civil servants which have gone to extremes and maintain the dictatorship, the news analyst of NODONG SINMUN today says, and continues:

It is the height of sarcasm that the traitor No Tae-u is crying for "liquidation of injustices", while trying to hush up the probe into the truth behind the "irregularities of the Fifth Republic" and the punishment of the principal culprits unanimously demanded by the South Korean people.

The traitor No is the chieftain of injustices who has masterminded every kind of swindle in South Korea. No big scandals have taken place without involvement of the traitor among them the Myongsong group case, the Sambo Securities Company case, the International Group destruction case and the Pomyang Merchant Shipping Co. case. He took thousands of billions of won out of the "national funds" for "presidential elections".

The No group is craftily scheming to cover up its crimes as a cattle-lifter and evade the rebuke and denunciation of the people by making sacrifice of a few cat burglars. This is, however, a foolish act.

With the traitor No Tae-u, the chieftain of the injustices, left alone, it is impossible to "liquidate irregularities" in South Korea or get rid of fraud which holds sway in the society.

KCNA Reports U.S. Aerial Electronic Exercise

SK0307000290 Pyongyang KCNA in English 1524 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—The U.S. imperialists brought several formations of F-15 fighter-bombers and EA-6 electronic jamming planes into South Korea from their overseas aggression bases from around 12:00 to 15:00 on June 28 and staged an aerial electronic warfare exercise to cope with the "event of contingency", according to military sources.

On the 29th, they brought formations of nuclear-capable F-16 fighter-bombers into the sky above Kyonggi and South Korean Kangwon Province to stage an aerial joint strike exercise and a bomb-dropping exercise against the northern half of Korea in cooperation with fighter-bombers, assault planes and airbone warning and control planes belonging to the U.S. Seventh Airforce and the South Korean puppet Airforce.

The planes mobilized in various military manoeuvres in the air above South Korea in two days total 900.

The U.S. imperialists also hurled several formations of Pacific-based formations of transport planes carrying commandoes and combat equipment to South Korea from around 13:00 to 18:00 on the 29th and staged a parachuting exercise aimed at a surprise "infiltration" into the strategic interior of the northern half of Korea in "case of emergency".

On the 30th, they let early warning plane E-3 repeatedly fly from the East to the West along the military demarcation line area for the purpose of spying on the objects in the interior and other vast areas of the North.

So Yun-sok Attends Rally Marking 'Struggle'

SK2906034790 Pyongyang Domestic Service in Korean 1100 GMT 26 Jun 90

[Excerpts] On 25 June a mass rally and demonstration were held in Pyongsong to mark the 25 June anti-U.S. imperialist struggle day. [passage omitted]

Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, responsible secretary of the party of South Pyongan Province, and chairman of the People's Committee of South Pyongan Province; Kim Man-song, chairman of the Administrative and Economic Guidance Committee of South Pyongan Province; responsible functionaries of the local, party, and organs of power, and of the administrative and economic organs and working organizations; heroes; and wartime meritorious people participated in the mass rally with some 50,000 workers, youths, and students. Comrade So Yun-sok spoke first at the rally. [passage omitted]

WPK Sends Message to 28th CPSU Congress

SK0207133890 Pyongyang Domestic Service in Korean 1200 GMT 2 Jul 90

[A message from the Central Committee of the Workers Party of Korea [WPK] to the 28th CPSU Congress on 2 July—read by announcer]

[Text] Moscow:

To the 28th CPSU Congress:

The WPK Central Committee warmly congratulates the CPSU on its 28th Congress and sends fraternal greetings to the deputies of the congress, the CPSU members, and the Soviet people.

We believe that the congress of your party will greatly contribute to strengthening and developing the CPSU, to fulfilling the social, political, and economic tasks facing the Soviet people, and to strengthening the overall might of the country.

Availing ourselves of this opportunity, we genuinely wish the congress many successes in its work, convinced that the traditional relations of friendship and cooperation between the WPK and the CPSU and between the Korean and the Soviet peoples will be further strengthened and developed through the struggle for peace and victory in the cause of socialism. [Signed] WPK Central Committee [Dated] 2 July, Pyongyang

WPK Official Meets Japanese Group Members

SK0207112090 Pyongyang KCNA in English 1051 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—Secretary Kim Yong-sun of the Central Committee of the Workers' Party of Korea [WPK] today met and had a friendly conversation with some members of the Japan-Korea friendship visiting group led by Akira Iwai, chairman of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea.

Yi Chol-sin, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries, was on hand.

Jiang Zemin Recalls 'Friendly' Visit to DPRK

SK0307053390 Pyongyang KCNA in English 0433 GMT 3 Jul 90

[Text] Pyongyang July 3 (KCNA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, recalling his visit to Korea in March this year, emphasized that the Sino-Korean friendly relations are not ordinary but special relations and the friendship between the two countries is valuable because it was sealed in blood.

He said this when he met in Beijing on July 2 with the delegation of the Central Committee of the Democratic Front for the Reunification of the Fatherland led by its Presidium member Yom Tae-chun on a visit to China.

Ecuadoran Lawmaker Opens Pyongyang Visit 2 Jul

SK0207111590 Pyongyang KCNA in English 1046 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—Wilfrido Lucero Bolanos, speaker of the Chamber of Representatives of the Republic of Ecuador and president of the parliament of Andes, and his party arrived here today on a visit to the Democratic People's Republic of Korea upon the invitation of the Standing Committee of the Supreme People's Assembly [SPA].

The guests were met at the airport by Vice-Chairman of the SPA Standing Committee Paek In-chun, Vice-Minister of Foreign Affairs Song Ho-kyong and other officials concerned.

Meets With Vice President

SK0307000390 Pyongyang KCNA in English 1522 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—Vice-President Pak Song-chol met and had a friendly conversation with Wilfrido Lucero Bolanos, speaker of the Chamber of Representatives of the Republic of Ecuador and president of the Parliament of Andes, and his party who paid a courtesy call on him at the Mansudae Assembly Hall today.

On hand were Vice-Chairman of the Standing Committee of the Supreme People's Assembly Paek In-chun, Vice-Minister of Foreign Affairs Song Ho-kyong and other officials concerned.

Reception Given in Honor

SK0307052790 Pyongyang KCNA in English 0440 GMT 3 Jul 90

[Text] Pyongyang July 3 (KCNA)—The Standing Committee of the Supreme People's Assembly [SPA] gave a reception at the Mansudae Assembly Hall last evening in honor of Wilfrido Lucero Bolanos, speaker of the Chamber of Representatives of the Republic of Ecuador and president of the Parliament of Andes, and his party on a visit to Korea.

Present at the reception were Vice-President Pak Song-chol and other officials concerned.

Paek In-chun, vice-chairman of the SPA Standing Committee, spoke at the reception.

He said:

The government and people of Ecuador, pursuing an independent and democratic policy, are making sustained efforts to defend the sovereignty and natural resources of the country and for the prosperity of the nation. We speak highly of it.

In external relations the government of Ecuador is firmly maintaining the policy of non-alignment and developing the friendly and cooperative relations with the peoples of developing countries. He wished the Ecuadorian people greater success in their endeavours to build a new society.

Speaker Wilfrido Lucero Bolanos spoke next.

He noted:

The people of the DPRK are achieving their purpose through their own struggle. The Korean people defeated the enemies and rose to their feet on the heaps of ashes like a phoenix and turned their country into a most prosperous country in the world in a very short period under the guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

They defeat the enemy, overcome all danger and hardships and demonstrate their might, believing in themselves and standing on their feet on the basis of their confidence.

Your idea and struggle for national reunification enjoy the sympathy and high appreciation of Ecuador and the world.

Norwegian Group on 'Anti-U.S. Struggle' Month

SK0207113290 Pyongyang KCNA in English 1026 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—The visiting delegation of the Trade Union of public officials in Oslo, Norway, issued a statement here on the occasion of the month of anti-U.S. joint struggle (June 25-July 27).

Noting that the members of the delegation participated in a demonstration under the slogan "Korea is one!" on the occasion of the 40th anniversary of the outbreak of the Korean war, the statement stressed that Korea must be reunified independently as demanded by her people.

Korea should be reunified peacefully in accordance with the desire and demand of the Korean people, it said, adding:

Our delegation voices full support to Korea's reunification on the principle of independence, peaceful reunification and great national unity.

Reception Marks Anniversary of Youth Festival

SK0207110690 Pyongyang KCNA in English 1013 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—The Central Committee of the League of Socialist Working Youth of Korea (LSWYK) gave a reception at the Central House of Youth Sunday on the occasion of the first anniversary of the 13th World Festival of Youth and Students.

Foreign diplomatic envoys here and foreign guests were present on invitation.

Also invited were Cho Il-min, chief of the mission of the South Korean National Democratic Front (Hanminjon) in Pyongyang, and members of delegations and home-visiting groups of the General Association of Korean Residents in Japan (Chongnyon) staying in the socialist homeland.

Chairman of the Central Committee of the LSWYK Choe Yong- hae made a speech at the reception.

He said:

Through the functions of the WFYS in Pyongyang last year the unanimous aspirations and desire of the youth and students of our era to build a new world free from war and nuclear weapons against the imperialists' moves of aggression and war were powerfully demonstrated.

The remarkable achievements of the Pyongyang festival as a great jubilee of mankind were the result of the joint efforts of the world's progressive youth and student organisations and especially, of the wise leadership of the great leader of our people Comrade Kim Il-song and dear Comrade Kim Chong-il in hosting the festival successfully in conformity with the aspirations and desire of the youth and students on the five continents.

The LSWYK and other youngsters will make all efforts as ever to defend world peace and security against imperialism, colonialism and racism and further consolidate and develop the festival movement in accordance with its inherent ideal.

Mustafa al-Safarini, ambassador of the state of Palestine and doyen of the diplomatic corps, spoke next.

He said:

The 13th WFYS held in Pyongyang, first of its kind in the Asian continent, was of special significance in the festival movement. The festival under the slogan "For anti- imperialist solidarity, peace and friendship!" made great success.

This is the result of the wise leadership of the great leader President Kim Il-song and dear Comrade Kim Chong-il. The Pyongyang festival which recorded an excellent chapter in the history of the festival movement will remain forever in the memory of the world's progressive youth and students.

He wished great success to the Korean youth and students in their struggle to further consolidate and develop the socialist system and reunify the country in hearty response to the highly important tasks put forward by the great leader Comrade Kim Il-song in his New Year address and at the first session of the Ninth Supreme People's Assembly.

Prior to the reception, the participants saw photos and a Korean documentary film showing the 13th WFYS.

Jobs Help Bring 'Ideal of Youth Into Bloom'

SK0207113090 Pyongyang KCNA in English 1036 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—Young people of Korea deem it a highest honour to volunteer to do difficult, hard work.

Many young people have recently volunteered to work at the Taehung general mining enterprise.

This enterprise which is being reconstructed on an expansion basis under the far-reaching plan of the Workers' Party of Korea plays a big part in the nation's production of magnesite ores.

19 girls of the Songchongang garment factory in Hamhung, South Hamgyong Province, resolved to bring their ideal of youth into bloom in this enterprise.

Their resolve is a call of their hearts.

The younger generation who have grown up under the loving care of the Workers' Party of Korea, they swore to add lustre to their youth at a fruitful worksite while carrying plans of the party and the leader into practice.

Some time ago, some 20 demobilized woman soldiers of a unit of the Korean People's Army also decided to go to the enterprise, urged by the pure conscience of soldiers. They will form a platoon of party members.

Female triplets of the Unyul mine garment factory in South Hwanghae Province joined the volunteers.

Young people in Pyongyang, Hamhung, Kaesong, Nampo and other places are now determined to take difficult, hard jobs to make their youth worthwhile.

When he got a report about the beautiful deeds of the aforesaid girls dear Comrade Kim Chong-il praised them, saying it is a very good thing and they are admirable, and bestowed political trust in and solicitude on them.

Securing Ideology Must Precede Material Goals

SK2806103190 Pyongyang KCNA in English 1000 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—To make all the members of society revolutionary and assimilate them to the working class and to the intelligentsia is the undertaking of capturing the ideological fortress of communism and it must be kept ahead of the work of securing the material fortress, stresses NODONG SINMUN in an editorial today.

It quotes the great leader Comrade Kim Il-song as saying:

"In order to develop all the members of society into people of a communist type, we must speed up the ideological and cultural revolutions and transform the whole of society in a revolutionary manner and assimilate all the members of society to the working class and to the intelligentsia."

Spurring on the revolutionary transformation of all the people and their assimilation to the working class and to the intelligentsia so as to make everyone an intellectual who has been assimilated to the working class and a member of the working class who has been assimilated to the intelligentsia is the basic orientation of the work of remoulding man which must be carried out in the building of socialism and communism, it says, and goes on:

In order to successfully carry out the heavy and vast tasks of the grand march of socialism facing us at present and to let all the members of society live and work in a keyed-up, mobilized posture in the revolutionary spirit in keeping with the requirements of our developing revolution and situation, it is necessary to put spurs on the revolutionary transformation of all the members of society and their assimilation to the working class and to the intelligentsia.

The revolutionary transformation of all the members of society and their assimilation to the working class should be dynamically stepped up, above all. What is most important here is to firmly arm the people with the chuche idea.

In the ideological revolution there is no more important task than imbuing all the party members and other working people and the rising generation with the chuche idea.

As the remnants of outmoded ideas still remain in the minds of the working people and the imperialists are intensifying ideological and cultural infiltration, it is a matter of key importance decisive of the victory of the revolution to make the chuche idea prevail throughout our party and revolutionary ranks.

Education in the chuche idea aims to firmly establish the revolutionary world outlook of chuche among the party members and other working people.

It is also important to enable the party members and other working people to make as their faith the advantages of our socialism which is the embodiment of the chuche idea.

Our socialism which was built and is consolidated and developed on the basis of the chuche idea is a superior one which thoroughly embodies the essential demands of the working class, a socialism which the people have been longing for as an ideal.

Establishing revolutionary style of work and life is an urgent matter in speeding up the revolutionary transformation of all the members of society and their assimilation to the working class.

We should always live in a tense and mobilised posture and staunchly fight, singing the song of the revolution, as befitting the people under the guidance of the party which is struggling and advancing in the revolutionary era.

The assimilation of all the members of society to the intelligentsia as well as their revolutionary transformation and assimilation to the working class should be propelled forward.

The assimilation of all the members of society to the intelligentsia constitutes an important strategic task to develop them into people of a communist type with inexhaustible creative energy and successfully push ahead with the building of socialism and communism in reliance upon science and technology.

In the educational domain the quality of school education and the training of native cadres should be raised still further and the advantages of our socialist educational system embodying the chuche idea be brought into full play in firm adherence to the theses on socialist education.

We should make the revolutionary habit of studying while working and vice versa prevail throughout the society and thus constantly raise the level of consciousness of all the people and their cultural and technical level.

Progress in Major Construction Projects Noted

SK0307103490 Pyongyang KCNA in English 1009 GMT 3 Jul 90

[Text] Pyongyang July 3 (KCNA)—Major construction projects are making a fast progress in Korea.

Work is underway in Musan to more than double the production capacity of iron headings and in Chongjin and Kangson [to] create a new production capacity of iron and steel.

The building workers of the Musan mining complex have finished in the main the wall covering of ore dropping chutes Nos. 4 and 5. The Kim Chaek iron and steel complex has completed in the main the construction of many buildings such as the finishing shop, the iron and steel casting shop and the thermal power control room and the first stage project of the electric furnace of the Chongjin steel works.

The workers engaged in the second stage construction of the Sunchon vinalon complex, a large chemical industrial centre, have nearly completed the assembling of two limestone kilns and four vertical briquette kilns and are pressing on the construction of the buildings of the caustic soda factory and the vinyl chloride factory.

Vigorous efforts are being made to create new generating capacities at the construction sites of the Nyongwon, Namgang, December thermal, East Pyongyang thermal and other power stations.

The 300-ri roadbed project of the Pyongyang-Huichon express highway has been successfully completed.

The construction of residential houses for 50,000 families is progressing in real earnest in different parts of the capital city, which includes the second-stage construction site of the Kwangbok Street and that of Tongil Street.

Textile Mills Striving To Increase Production

SK0207111090 Pyongyang KCNA in English 1031 GMT 2 Jul 90

[Text] Pyongyang July 2 (KCNA)—Textile mills of Korea are now busy engaged in a vigorous drive for increased production.

Entering this year, the Pyongyang textile combine has introduced more than 100 technical innovation proposals to markedly increase production while saving much workforce and fund. Notably, the combine has made it possible to produce 4 million more metres of cloth by raising the utility rate of weaving machines.

The general silk shop overfulfilled by a big margin the June plan set 1.4 times higher than last year, and the dyeing shop turned out more than 70,000 extra metres of dyed cloth by remodelling drying processes. The printing shop is carrying out its daily quotas set far higher than last year at 110 to 115 percent.

The Sinuiju textile mill this year has set itself a goal of producing thousands of tons of yarn and over 7 million metres of fabrics more than last year, and put out some 1,300 tons of yarn and 5 million metres of cloth by the end of May.

This June saw the production of twice as much yarn and cloth as were turned out in the comparable period of last year.

In this course, many weavers, spinners and spool-winder workers have fulfilled their assignments for the Third Seven-Year plan or their yearly assignments ahead of schedule.

The Kaesong textile mill has fulfilled its half-year plan by June 11 on all indices by vigorously pushing ahead with the drive for increased production from the beginning of the year.

Innovations are also being effected in the Kusong, the September, Sariwon and other textile mills.

Indoctrination in Socialist Advantage Stressed

SK0107103190 Pyongyang Domestic Service in Korean 0010 GMT 20 Jun 90

[NODONG SINMUN 20 June editorial: "Let Us Further Intensify Indoctrination in the Advantages of Socialism"]

[Text] Today, we are assigned the important task of further displaying the advantages of our socialism in every sector by upholding the militant tasks set forth by the great leader Comrade Kim Il-song in his historic policy speech. In particular, what is important in carrying out these honorable tasks is to intensify indoctrination among party members and the working people concerning the advantages of our country's socialist system, which embodies the chuche idea.

The respected and beloved leader Comrade Kim Il-song has taught: The great manifestations of the chuche idea—that is, the guiding ideology of our party, the invincibility of our people who have established chuche, and the advantages of our country's socialist system which embodies the chuche idea—are the summary of our people's struggle for socialism, and it is precisely within these things that our people take great pride. Also, it is precisely from these things that our people derive their confidence in a brighter future.

Firm faith in the advantages of socialism is the ideological and mental wellspring that encourages our people to firmly adhere to the principles of the revolution in the face of any storm and to indefatigably remain on the road that leads to socialism and communism.

As the building of socialism develops in depth and the enemy's maneuvers against socialism become unscrupulous, it is very important to indoctrinate the people in a firm conviction of the advantages of socialism.

Today, our people have resolutely defended the lines and policies of socialist construction put forward by the party, maintaining firm confidence in socialism. This is precisely because our party has consistently intensified the work of indoctrination in the advantages of socialism. In the future, we should continue to intensify the work of indoctrination in keeping with the enormous tasks facing us and in keeping with the prevailing situation.

The important thing in intensifying indoctrination in socialism at present is to conduct this work in a delving way, not through universal examples but by stressing the advantages of the socialism of our own style, which is based on the chuche idea.

Our socialism is not only agreeable to the specific situation of our country, but it also is the specific socialism of our own style, which has been developing as required by our people's intentions and desires.

The advantages of our socialism have been highly displayed in every sector, including politics, economics, and ideological and cultural life. We should not indoctrinate the people by using abstractions or universal theories on socialism. Instead, we should use the advantages of our socialism, which has displayed an invincible vitality within the context of reality.

Indoctrination in the advantages of our country's socialism among the party members and the working people is an important demand that can lead them to expedite socialist construction and brim over with confidence, great national pride, and dignity.

The socialism of our own style is the social foundation on which our people maintain their our-nation-first spirit. Only when all the party members and working people are deeply conscious of the advantages of our unique socialism can they live and work full of great pride and confidence in building a unique socialism without deviation, employing the great chuche idea as a guideline while they remain fervently loyal to the great leader and the leadership of the great party.

Today in the international arena, there have been fierce confrontations between socialism and imperialism.

As the imperialists desperately try to execute their anti-socialist strategy and viciously slander socialism, it is important to deeply imbue all the people with great pride in the fact that the socialism of our own style is the best. Only then can we vigorously display the honor and dignity of our people, who invariably defend the revolutionary banner of socialism, and pull through all difficulties and ordeals.

What is important, above all, in the indoctrination in the advantages of our socialism is to principally conduct this work in a delving way on the basis of the chuche idea.

The great leader Comrade Kim Il-song in his policy speech fully elucidated the nature of our country's socialism—that is, a man- centered socialism in which the chuche idea has been applied—along with its basic characteristics and advantages.

The theory on the advantages of our country's socialism, which the respected and beloved leader indicated in his policy speech, is a scientific theory based on the historical experience of long, drawn-out socialist construction and on the scientific analysis of our country's brilliant reality, in which socialism's new life is splendidly spreading and thriving.

Along with this, the working class theory on socialism and the inevitability of its development is a unique ideological theory that has been deepened and raised to a new and higher plateau.

Only when we firmly arm ourselves with this theory can we fully and profoundly understand the characteristics and advantages of our socialism.

All party members and working people should regard the study of the policy speech as a process of principally and confidently understanding the advantages of our socialism, and not as merely a process of studying a theory. Moreover, they should read between the lines of his work. All party members and working people should continue to intensify the study of our party's documents, which profoundly analyze the absolute advantages of socialism.

Our socialism has been thoroughly constructed on the basis of the chuche idea. Therefore, without the chuche idea's profound principles we would be unable to theoretically understand the advantages of our socialism.

Party organizations should indoctrinate party members and working people to deeply understand the basic principles of the chuche idea, including the theory on the main forces of the revolution and the theory on socio-political life and collective life. In this way, party organizations will provide them with the proper views on the basic advantages of our socialism, which is capable of most brilliantly meeting the inherent demands of human beings.

It is important to carry out indoctrination in the advantages of socialism primarily through our country's specific reality.

It is possible that some people, during the course of a long life, do not deeply understand the basic advantages of the socialist system and thereby regard happiness among the people as a natural occurrence.

Therefore, party organizations, through the use of concrete examples and reality, should constantly propagandize and explain to the party members and working people how our socialism has been built, how our socialism has been consolidated and developed, how the advantages of our socialism have been displayed, and how greatly our socialism is leading to a brilliant future.

As the great leader Comrade Kim Il-song indicated in his policy speech, the advantages of our country's socialist system have been clearly shown in the happy and worthwhile socialist life that our people currently enjoy.

Reality confirms that the independent political life, affluent cultural life, and sound material life that our people enjoy comprise the most superior kind of socialist life, which is conducive to the inherent demands of social beings and to the idea of socialism.

Party organizations should get all party members and working people to become deeply conscious of the fact that our socialist life is an immeasurably superior life. This is because that under our socialist system, no one has to worry about food, clothing, or shelter. Everyone leads an equitable life in which there is no disparity between rich and poor. Everyone lives a harmonious life—a life that is intellectually and morally noble and free from every type of social evil.

In particular, party organizations should get all party members and working people to look upon the fact that everyone is involved in fixed socio-political organizations, that everyone is leading a political and organized life, and that all the people are constantly glorifying their invaluable socio-political life by taking great pride and happiness in their political and organized life.

Through today's proud reality in which great monumental structures glorifying the era of the Workers Party of Korea have constantly been built and in which new miracles and innovations have been created in socialist construction, we should get all party members and working people to become firmly confident in the invincibility of our socialism, which is powered by the strong primary forces of the revolution and our solid, independent national economy.

In addition, in order to properly conduct indoctrination work in the advantages of our country's socialism, it is imperative to closely combine this work with indoctrination in the reactionary essence and corruption of capitalist society and the inevitability of its downfall.

Confidence in socialism is closely linked to the spirit of opposing capitalism. Without a firm class position of showing the sharpest contempt for the corrupt and ailing society, it is impossible to have confidence in the advantages of socialism.

We should get the working people to be clearly conscious of modern capitalism's reactionary spirit and that capitalism has forced a large number of people to live inhumane lives in order to survive, and that within capitalism every type of immorality, poison, and social evil runs rampant, and that the people have been intellectually crippled and have become politically ignorant. As a result of this indoctrination, we should get the working people to more deeply understand the advantages of our socialist life.

We should indoctrinate the people to realize the preposterousness and deceptiveness of the imperialists' blatant propaganda about the crisis of socialism and the prosperity and richness of capitalist society.

When all the people have the staunch revolutionary will to defend the banner of socialism without any illusions about capitalism, the imperialists' ideological and cultural infiltration will disintegrate.

Party organizations at every level should pay close attention to trying to get all party members and working people to have the great revolutionary desire to powerfully demonstrate the might of our socialism.

Our people's revolutionary will to adhere to the end to our most superior socialism is very great.

By way of the practical struggle to construct socialism, we should fully demonstrate this revolutionary will, which our people have cherished deep in their hearts during the process of endlessly enjoying a rewarding and happy life while, for dozens of years, remaining in the bosom of the party and the leader.

Party organizations should powerfully organize and mobilize party members and working people to join the struggle to thoroughly carry out the militant task of displaying the advantages of our country's socialism, which the great leader Comrade Kim Il-song has put forward in his historic speech, and the task of socialist economic construction.

All party members and working people should produce more and conserve to the maximum by way of fully displaying the revolutionary spirit of self-reliance and fortitude, and they should vigorously try to contribute to the consolidation, development, growth, and prosperity of our socialist system.

Only those making such efforts are genuine patriots and revolutionaries who strongly believe in the advantages of our socialism and ardently love it.

Editorial Urges Indoctrination of Chuche Idea

SK0207045390 Pyongyang Domestic Service in Korean 0000 GMT 28 Jun 90

[NODONG SINMUN 28 June editorial: "Let Us Thoroughly Carry out Policy of Revolutionization, Working-Classification, and Intellectualization of Entire Society"]

[Text] Upholding the tasks put forward by the great leader Comrade Kim Il-song in his historic speech, we should continuously and vigorously push ahead with the work of giving the revolutionary, working-class, and intellectual nature to the entire society.

Today we are faced with the mission to more vigorously carry out the work of remolding men the communist way by deepening the ideological and cultural revolution according to the demand of the developing realities.

The great leader Comrade Kim Il-song has taught: To remold all members of society the communist way, we should realize the revolutionization, working-classification, and intellectualization of the entire society by accelerating the ideological revolution and cultural revolution.

It is a most important element in communist construction to remold all members of society the communist way. It is the basic direction for the work of remolding men, which should be carried out in socialist and communist construction, to give the working-class nature to intellectuals and the intellectual nature to the working class by actively pushing ahead with revolutionization, working- classification, and intellectualization.

The policy for revolutionization, working-classification, and intellectualization of the entire society is a unique policy advanced by the great leader Comrade Kim Il-song based on the chuche idea. Our party firmly adhered to and implemented this policy from the early days.

As a result, a great change was effected in the ideological and mental traits of our party members and workers, and their creative capabilities were enhanced. Also, the comradely unity of society has been consolidated.

The achievements made by our party in the work of remolding men are indeed outstanding and boastful. Based on these achievements, we should actively carry out the work of remolding all members of society the communist way.

Today our revolution is advancing to the high stage of remodeling the entire society on the chuche idea; important and enormous tasks for a grand socialist march are laid before us. These tasks demand strengthening the main forces of the revolution and enhancing their role in every way.

To attain this demand, we should remold all the people the communist way so they have lofty independent ideology and consciousness and creative ability and should make the entirè society a communist group. To make all members of society live and work with the revolutionary spirit and with alertness and the attitude of mobilization according to the demand of the development of our revolution and of the situation, the work of giving the revolutionary, working-class, and intellectual nature to the entire society should be accelerated.

We should advance by always assuming the work of revolutionization, working-classification, and intellectualization of the entire society as an important strategic line which we should not miss even a moment. Thus, we should thoroughly embody this line in the every day practice of the revolution.

We should, above all, vigorously carry out the work of giving the revolutionary and working-class nature to all members of society. The most important thing in this is to firmly arm the people with the chuche idea.

The chuche idea is the unique guiding ideology of our revolution and a genuine communist ideology. Nothing is more important in the ideological revolution than to arm all party members, workers, and the new generations with the chuche idea. At a time when the workers still have the remnants of outdated ideas and the imperialists have strengthened the maneuvers of ideological and cultural infiltration, it is a key to the success of the revolution to imbue our party and the revolutionary ranks only with the chuche idea.

The goal for conducting the indoctrination of the chuche idea is to make the party members and workers firmly establish the chuche- oriented revolutionary outlook on the world. Party organizations and functionaries should substantively organize and lead the study of the great leader Comrade Kim Il-song's classical works and party's documents. They also should see to it that the study of original text of the classic works be strengthened so that the people precisely realize and broadly understand each and every one of the principles of the chuche idea.

It is important to make party members and workers keenly realize the truth and universality of the chuche idea.

Instead of only instilling into the minds of the party members and working people the truth and universality of the chuche idea simply by outlining their fundamentals, the party organizations and functionaries should make the masses deeply understand them based on the history and reality of our revolution, the trends of the era of independence, and the data made up of repercussions of the world's progressive people who sympathize with and study the chuche idea.

Another important point is to make the party members and working people cherish as faith the superiority of our nation's socialism which has embodied the chuche idea. Socialism in our country, built and consolidated and developed on the basis of the chuche idea, is a superior socialism which has fully embodied the essential demands of the working class, as well as a socialism that the people have thirsted for as an ideal.

The party organizations and functionaries should make the party members and working people have firm faith in the superiority of socialism of own style and unwaveringly continue struggling for victory of the socialist cause under any adverse circumstances by superbly handling the indoctrination in the superiority of socialism of our own style as part of an indoctrination in the chuche idea.

In pushing ahead with the cause of revolutionizing society and converting it into a working class, it is a pressing matter to establish a firm revolutionary work and living ethos. Work and living ethos has a great impact on remolding the thoughts and awareness of men. Genuine communistic men can be raised only in places where the revolutionary work and living ethos worthy of the working class prevails.

We should always live and struggle with tenacity, singing revolutionary songs loudly in an alerted and mobilized posture, a posture worthy of a people living in an era of the revolution under the guidance of a party that advances while struggling. Slothfulness and easygoingness are taboos to our people and they are obstacles to revolutionizing society and to converting it into a working class.

All the units and organizations concerned should substantively preplan and organize the work designed to establish among the party members, working people, youth, and students revolutionary and militant work and living ethos. Important in this regard is to strengthen the reformatory education based on the examples set by the fallen anti-Japanese revolutionary martyrs and our working class during the postwar era of the great Chollima upsurge.

Through a revolutionary education for the youth and students, our replacement in carrying out the revolution, the party organizations should pay profound attention to making them value the revolutionary gains attained by their previous generations through bloodshedding and to devote themselves to a struggle to defend and develop them.

Expediting the work of intellectualizing all members of society is no less important than the cause of revolutionizing society and converting it into a working class. The cause of intellectualizing the entire society is an important strategic task designed to raise all members of society as communistic men equipped with a high degree of creative capabilities and to successfully accelerate socialist and communist construction on the strength of science and technology.

Our party brilliantly has resolved the issue of intellectuals and now is successfully carrying out the work of intellectualizing the entire society. We should vigorously carry out the work of intellectualizing all members of society, taking pride and honor in that work.

The key to intellectualizing the entire society is to develop education. Today, we have at our disposal all the necessary conditions for developing the educational work, including a wonderful educational system.

The question lies in how to implement the thesis on socialist education. The educational sector should raise the quality of education in schools and the training of national cadres even higher and give full play to the superiority of our country's socialist educational system which has embodied the chuche idea by adhering to the thesis of the socialist education.

The common educational sector should more satisfactorily put into practice the general 11-year compulsory educational system by raising the quality of the teachers and by improving the contents and methods of education. The higher educational sector should train more able and handy technicians and specialists by converging massive effort on training scientifically and technically talented men.

Those who are engaged in socialist construction should always remember the slogan: Learning is the primary duty of men involved in the revolution. All party members and working people should consider learning a demand of life itself and one of the most important parts of the organizational and ideological life and then tirelessly learn and learn by emulating the anti-Japanese guerrillas' revolutionary attitude toward and spirit concerning learning. We should make all the people endlessly raise the level of their ideology and awareness, culture, and technology by filling society with a firm revolutionary spirit of learning while working and of working while learning.

Revolutionizing the entire society, converting it into a working class, and intellectualizing it is work to occupy the ideological fortress of communism, placing it ahead of the work of occupying the material fortress.

It is a demonstration of the greatness of our party to precisely explain the essence and principle of the work of remodeling men and then brilliantly realizing them on the basis of the inevitable course of socialist and communist construction founded upon the chuche idea, its basic methods, and the practical experience acquired in the course of carrying out the communist movement.

Cherishing the pride of building socialism and communism according to correct lines under the guidance of a great leader, we should keep vigorously implementing the policy of revolutionizing the entire society, converting it into a working class, and intellectualizing it.

Modernizing Light Industrial Plants Stressed

SK0107130090 Pyongyang Domestic Service in Korean 0007 GMT 29 Jun 90

[NODONG SINMUN 29 June editorial: "Let Us Further Modernize Light- Industrial Plants and Operate Them at Full Capacity"]

[Text] In terms of highly upholding and fulfilling the tasks outlined in the great leader Comrade Kim Il-song's policy speech and the letter dear Comrade Kim Chong-il sent to the participants of the national light-industrial meeting, one of the important tasks we currently face is to further modernize light-industrial plants and operate them at full capacity and, in turn, increase production of mass consumption goods in an epochal way.

The great leader Comrade Kim Il-song has taught: The primary task facing the light-industrial field is to further modernize light industry plants and operate them at full capacity, thereby definitely increasing the production of mass consumption goods.

Light industry is an industrial field in which mass consumption goods, such as fabrics, clothes, shoes, and foodstuffs, are produced. These are vital to the people's material and cultural lives. Therefore, light industry is directly linked to the people's lives.

Light industry must be developed at a rapid pace so that various high-quality mass consumption goods can be produced in large quantities. This should be done to sufficiently satisfy the people's material and cultural demands so that their independent and creative lives can blossom even further.

The potential and production power of the light industry already extant under the leadership of the party are great. Based on this, production facilities of light industry plants must be further modernized; equipment must be expeditiously modernized and improved; and comprehensive mechanization and automation, computerization, and robotization must be achieved within the production process. If light industry operates at full capacity, more mass consumption goods can be produced at cheaper prices with less effort, less raw materials, and less resources.

If this goal is achieved, our people will have little to envy and we will further display the superiority of our country's unique socialist system, which embodies the chuche idea.

Therefore, because existing light industry plants are being further modernized and operated at full capacity, we will be able to guarantee increased quantity, variety, and quality of mass consumption goods. Also, we will be able to do this without making a heavy national investment, and we will be able to thoroughly fulfill the party's light industry revolutionary policy in a short time.

To bring about a decisive turning point in the production of mass consumption goods by further modernizing and operating light industry plants at full capacity, functionaries and workers in the light industry field must first of all faithfully bear in mind the plans and intentions of the party, which put forth the light industry revolutionary policy, and they must ideologically mobilize in the struggle to fulfill this policy.

The important plans and intentions of our party, which put forth the light industry revolutionary policy, call for magnificently solving problems related to mass consumption goods according to the popular masses' intentions and demands as quickly as possible.

This reflects the true nature of our country's man-centered socialist system in which the popular masses are the masters of all things in society and all things in society serve the popular masses. This also reflects our socialist system's basic characteristics and our party's endless love and consideration for the people.

All functionaries and workers in the light industry field must be ideologically mobilized through firm faith and the indomitable struggle spirit that they will work in accordance with the party's decisions so that the struggle to modernize and operate light industry plants at full capacity can be vigorously pursued.

In so doing, when the quantity and variety of mass consumption goods increase and their quality is enhanced, a new turning point will be brought about in our people's material and cultural lives.

Operating equipment at full capacity in the production of light industry goods and stabilizing production at a high level will greatly prove the worth of the already existing production potential. A precondition for this is to provide a sufficient supply of raw materials and resources.

Currently our country is fully equipped in all light industry fields to smoothly produce and supply various mass consumption goods to the people. The problem is that we must further supply raw materials and resources well to ensure the important guarantee of bringing about an upsurge in the production of mass consumption goods.

In response to the party's demand that light industry be developed with resources and materials found within our country, light industry and its related fields must map out revolutionary plans to solve the problem of acquiring needed resources and materials. Light industry plants must conserve resources and materials, and they must try to produce more goods with less resources and materials. To achieve this goal, they must strictly adhere to a stipulated amount of resources and materials for producing each unit of goods, and they must struggle to systematically reduce this stipulated amount. Facilities are an important means of production and are similar to weapons in the Army. Only when facilities are well managed can they be operated at full capacity, and, only then, can production be normalized. Remaining acutely aware that they are the masters of the country, the masters of production, and that they are directly responsible for carrying out a light industry revolution, functionaries and workers in the light industry sector must well manage facilities and maintain a thorough knowledge of them.

For workers to responsibly manage facilities, it is important for them to vigorously carry out the movement to learn from the No. 26 lathe. This movement already has demonstrated its great vitality in guaranteeing that workers will love and well manage facilities. The light industry sector must well implement the work of more vigorously conducting the movement to learn from the No. 26 lathe, thereby improving the management of facilities to guarantee that all facilities operate at full capacity in every circumstance.

Also, we must prepare viable regulations and rules on operating facilities, and we must make sure that workers strictly adhere to these regulations and rules. In addition, light industry plants must regularly inspect and maintain facilities on a timely basis. They must establish a system of preventive maintenance, and they must well carry out the work of repairing and maintaining facilities on a timely basis.

Production is a very complicated process in which labor, facilities, resources, and materials are organically combined. Therefore, without proper organizational activities and guidance, labor, facilities, resources, and materials cannot be efficiently utilized and production cannot be carried out adequately. Functionaries in the light industry sector must map out plans carefully, and they must well conduct the work of guaranteeing materials, assigning labor, and maintaining facilities and the work of organizing and overseeing production."

The present era is the era of science and technology. Only when light industry is modernized in step with the development of modern science and technology can mass consumption goods be produced on a high level. Light industry plants must conduct the work of using advanced technology to renovate less capable, less reliable, and outmoded facilities and production processes, thereby further improving the level of technology and the level of facilities and comprehensively mechanizing, automating, computerizing, and robotizing production. Toward this end, based upon their concrete examination of facilities that must be renovated with advanced technology, light industry plants must properly set priorities and, one by one, substantially renovate. Also, we must modernize a light industry plant in each sector and region and modernize other light industry plants based upon this model.

In particular, light industry plants must mobilize the boundless wisdom and creativity of the producing masses in vigorously carrying out a popular movement for technological innovation in an effort to help map out more valuable technological innovation plans, creation plans, and rationalization plans. To modernize light industry plants and operate them at full capacity, every sector and unit of the people's economy must positively assist light industry. Pertinent sectors must provide, on a timely basis, light industry with resources and materials for producing chemical fibers, synthetic resins, basic chemical products, steel products, along with second-stage metal processing goods of various types and qualities, plant machinery, electronic and automation elements, and consumer goods. They must also provide light industry with facilities and materials for modernization.

The transportation sector must take precedence in the people's economy and serve as an important link between production and consumption. The transportation sector must well map out plans for transportation and, in turn, transport resources, fuel, and materials to light industry plants on a timely basis, and it must well conduct the work of transporting goods produced at light industry plants to areas where these goods are consumed.

In addition, the State Planning Committee and other planning offices must properly and unconditionally solve problems related to supplying resources and materials to light industry, problems related to the supply of electronic and automation elements, and problems related to the production of mass consumption goods and the planned modernization of light industry plants. Party organizations of various levels in the light industry sector must firmly adhere to the party's plan for a light industry revolution and must vigorously conduct political work to mobilize party members and workers in implementing this plan. In particular, party organizations must help functionaries in the light industry sector carry out to the end the party's plan for a light industry revolution. They must do so by adhering to the revolutionary spirit, the party spirit, the working class spirit, and the people-minded character.

South Korea

North, South Preparing Prime Ministers' Talks

SK0307043590 Seoul Domestic Service in Korean 0300 GMT 3 Jul 90

[Text] At the preliminary talks for North-South high-level talks, which were resumed after a five-month hiatus, the two sides agreed to place the discussion of political and military issues, which have been the point of dispute in the past, ahead of discussing exchanges and cooperation, and concluded the talks at 1100 after also agreeing to hold a contact between working delegations on 6 July.

We are going to connect our studio with reporter Kang Kap-chul who is now in the administration office for North-South talks. Reporter Kang, please tell us the story.

[Begin Kang recording] It seems high-level talks between the delegations of the North and South headed by their prime ministers likely will be held alternately in Seoul and Pyongyang in the latter half of this year at the earliest.

With the North and South agreeing—during the seventh preliminary meeting for North-South high-level talks held at 1000 this morning in the House of Peace at Panmunjom—to hold a working contact to finalize the wording in the draft of a final agreement on 6 July in the Neutral Nations Supervisory Commission conference hall, the two sides saw great progress in the North-South talks that have not been held for the past five months.

At today's meeting, Song Han-ho, senior member of our side's delegation, said the South fully accepts the North Korean side's suggestion that removing the state of political and military confrontation between the North and South be placed ahead of discussion of realizing exchanges and cooperation, over which the two sides have shown differences in opinion. Paek Nam-chun, head of the North Korean side's delegation, accepted our side's proposal.

So, the two sides are expected to produce a draft of an agreement in the working contact scheduled for 6 July and sign the agreement at the eighth preliminary talks slated for 26 July in Tongilgak. According to the final agreement, which stipulates that the full-dress talks be held within a month from the date the agreement is signed, it seems highly possible the North and South will hold official prime ministers' talks, the first of its kind, next month at the earliest.

The delegations to the North-South high-level talks will be composed of seven officials, including six at the level of ministers and vice ministers, with the prime minister as its head. As many as two general-level delegates, including one at the level of the chief of staff, can also participate in the talks.

Along with this, the two sides agreed the number of suite members will be 33 and the reporters limited to 50.

In his keynote speech at today's talks, Paek Nam-chun, head of the North Korean delegation, proposed that if the full-dress talks are held the North and South discuss the issue of the entry of the North and South into the United Nations, insisting that the North and South jointly enter the United Nations under one seating without fail, arguing that our side's unilateral admission into the United Nations or simultaneous admission will only perpetuate division. Describing the ROK-USSR summit talks as running counter to national desire for reunification, Paek Nam-chun demanded our side make clear its principled stand on this issue and repeatedly called for the discontinuation of the "Team Spirit" exercise.

Meanwhile, at the seventh North-South preliminary talks held today amid a drizzle, the delegates of the two sides exchanged pleasant greetings, probably because they have not met for five months, and proceeded with the talks in a friendly atmosphere after a 10-minute light exchange of views on the weather, unification of East and West Germany, and the 4 July joint statement.

About 150 domestic and foreign reporters from Seoul and Pyongyang came to the meeting place, reflecting the feverish approach of the press toward the seventh talks.

Today's talks ended at 1100 after the two sides agreed to meet again on 6 and 26 July. [end recording]

Concerns Mount Over North's Refusal To Sign

SK0307040090 Seoul YONHAP in English 0321 GMT 3 Jul 90

[Text] Seoul, July 3 (YONHAP)—North Korea may try to develop nuclear weapons in a bid to get the upper hand over South Korea in arms control talks, the National Unification Board said Tuesday. In a report to the National Assembly, the board said the government would increase its pressure on North Korea, trying to get it to sign the safeguards agreement of the International Atomic Energy Agency (IAEA), under which subscriber countries should open their nuclear facilities to outside inspection.

While doing its best to prevent the North acquiring a nuclear strike capability, the government will take "measures for national survival" in the event that it fails, the board said. Concern about North Korea's development of nuclear arms is mounting as the Communist North has refused to sign the agreement while building what are believed to be nuclear fuel reprocessing facilities in Yongpyon North of Pyongyang, the board said. According to the board, the U.S. and Soviet Foreign Ministers expressed concern about North Korea's development of nuclear devices in a joint commmunique issued in February.

On June 22, South Korean Defense Minister Yi Sang-hun said North Korea was likely to be able to manufacture nuclear weapons in the mid-1990s and that the nuclear reprocessing facilities in Yongpyon were expected to be completed this year. His remarks to the National Assembly Defense Committee contradicted wire services reports that the North would be able to produce nuclear weapons within six months. Earlier last month, Science and Technology Minister Chong Kun-mo, quoting IAEA Director-General Hans Blix, said Pyongyang was likely to sign the safeguards agreement by September.

Pyongyang was likely to send negotiators to Vienna around July 10 to sign the accord, Chong said. North Korea joined the Nuclear Non-Proliferation Treaty in December 1985 but has not signed the agreement, to which subscribers are required to put their names within 18 months of signing the treaty.

Consultative Body Hopes for Better Relations

SK0307040290 Seoul YONHAP in English 0327 GMT 3 Jul 90

[Text] Seoul, July 3 (OANA-YONHAP)—South Korea is drafting a proposal on inter-Korean arms control and will set up a government-level coordination committee for South-North arms control policy, with civilian specialists in disarmament allowed to participate, according to a report submitted to the National Assembly on Tuesday by the National Unification Board. The proposal will call for building political and military confidence between Seoul and Pyongyang based on recognition of the reality of inter-Korean relations, and for operational arms control followed by structural arms control, the report said.

The South wants proposed political and military talks between the prime ministers of both sides to cover disarmament to resolve the military confrontation on the Korean peninsula, it said. The government will positively review a disarmament proposal made recently by North Korea as the North showed some flexibility on inter-Korean arms control, softening its hard stance against U.S. forces in Korea. The North did not refer to "total removal" of U.S. troops in the proposal.

The North had set the entire withdrawal of U.S. troops as a precondition for discussions on South-North disarmament and stated that arms reduction should precede confidence-building measures between the two Koreas.

Seoul hopes that the high-level meeting will be the seed of a system of dialogue between South and North Korea, it said. The unification board report did not go into detail on arms control, which is expected to be a main topic of upcoming inter-Korean dialogue. The government, taking the viewpoint that the settlement of peace on the Korean peninsula is closely connected with relations between neighbors or allies of the two Koreas, will also seek a guarantee of peace on the divided peninsula from the United States, the Soviet Union, China and Japan, the report said.

President No Tae-u has proposed establishment of a Northeast Asia peace consultative body, participated in by South and North Korea and the so-called four powers, to seek ways to bring peace to the region and lower tension on the Korean peninsula, divided at the end of World War II. In connection with the consultative body, the government will use the positive outcome of No's recent meetings with Japanese Prime Minister Toshiki Kaifu, Soviet President Mikhail Gorbachev and U.S. President George Bush to create the consultative body, the report said. The government hopes the consultative body will lead to better inter-Korean relations and peace on the peninsula, the report said.

Daily Urges 'Maturity' in North-South Talks

SK0307071790 Seoul HANGUK ILBO in Korean 3 Jul 90 p 2

[Editorial: "We Again Wait and See North-South Talks"]

[Text] Germany has become one again. On the historic day of 1 July, the German people have, in actuality, ended a 45-year-long division by opening the boundary and realizing economic merger. We remained silent while the German people were overflowing with joy and emotion. The East and West are completely open, but the North and South remain tightly closed.

It is now time for North and South on the Korean peninsula to open up and take a first step toward reunification. We cannot remain preoccupied with enervation and helplessness. The North and the South should meet each other at an early date and frankly and candidly hold dialogue.

Today, a preliminary contact for the North-South high-level talks will be resumed five months after the dialogue was ruptured. We may be disappointed again, but we should not give up hope. It is common to all fellow countrymen to grasp even a straw, just as a drowning man wants to grasp at something.

The prospects for talks are still opaque and dark. The basic task for preliminary contact is to realize the full-dress talks by settling the agenda question. The North Korean side, even while abruptly proposing the resumption of dialogue, criticized our efforts to normalize ROK-USSR relations by using such radical words as flunkeyism, antinational act, division of the nation, and so forth.

In mid-June, the North Korean side informed us through a message that it totally rejects the North-South summit talks and indefinitely postpones the resumption of existing dialogue. In particular, the North Korean side expressed a nervous reaction to and rejection of the ROK-USSR summit in San Francisco and denounced our inducement of North Korea to openness and the issue of our entry into the United Nations.

We can hardly expect that such a stubborn attitude by the North Korean side will show an immediate change at today's talks. If North Korea persistently adheres to its attitude of unilaterally denouncing us without showing any change, one can easily predict the future of the North-South talks.

Our government made it clear that our side will show flexibility in discussing the issue of designating the agenda items, as well as political and military questions, at the talks. The important factor for progress in the talks is the sincerity of the efforts the North Korean side will make for practical solutions to the problems.

If the North side repeats its previous slander and denunciation, we will be forced to wait again with patience, and if North Korea continues adhering to insulting language to satisfy its resentment over the mutual approach and summit between the ROK and the USSR, dialogue will be thrown into a deadlock again.

Now the North-South dialogue should attain maturity in conformity with the rapidly changing international trend and both sides should undertake the practical issues with wisdom by reducing the differences in views. We hope that the old attitude of criticizing the other side for so-called responsibility and so on should be boldly eliminated during the forthcoming talks.

We believe that only those who look straight at the trend of history can consolidate their position in today's world. Whether they are from the North or South and from the East or the West, their division and confrontation are becoming invalid. No one can stubbornly insist on its closing forever. Today's situation demands that the North and the South should be united. We wish to ask the North Korean authorities coming to the North-South dialogue to open their minds.

We will continue our efforts to let them know about our sincerity. It is an urgent task to revitalize the efforts for national reunification by reaching an agreement, even on a minor thing, as a starting point. Our expectations are unanimous.

Relative of Former DPRK Agent Found in Seoul

SK3006011590 Seoul THE KOREA TIMES in English 30 Jun 90 p 3

[Text] A relative of Kim Hyon-hui, 28, a self-confessed North Korean agent who blew up a Korean Air jetliner in 1987, was found to be living in Seoul, it was learned yesterday.

Im Kwan-ho, 69, of Namhyon-tong, Kwanak-ku, claimed that his father is a brother of Kim Hyon-hui's great grandfather on her mother's side.

Im, who was born in Kaesong, now in North Korea, came to the South during the Korean War in September, 1950, when the United Nations forces recaptured the city.

Im said the name of Kim's mother was Im Myong-sik who was a senior at Hosudon Girls High School in Kaesong when he left his hometown.

According to Im, his father Im Chin-hwan has an elder brother Chin-hong. Kim Hyon-hui is a daughter of Im Chin-hong's granddaughter.

The Im brothers from a well-to-do family lived in a spacious house in Naman-tong, Kaesong.

Im recalled that it was as if something struck him hard when he heard the name "Im Myong-sik" as being the other of the KAL saboteur. Since then, Im has been harboring a belief that the North Korean woman agent must be his relative.

He confirmed his relation with Kim Hyon-hui through his friend who goes to a Seoul church where the pardoned ex-agent is a member.

Kim Hyon-hui was born to Kim Won-sok and Im Myong-sik on Jan. 27, 1962, in Pyongyang as their first child.

Her father, a graduate of the English department at Kim Il-song University, was an official at the North Korean trade bureau in Angola when the KAL incident occurred. Before that, he served at the North Korean embassy in Moscow.

Kim's mother taught at Manwol Junior High School in Kaesong.

The authorities plan to arrange a meeting of Im and Kim shortly, it was learned.

Magazine Notes DPRK Human Rights Violations

SK2806125590 Seoul Television Service in Korean 1200 GMT 28 Jun 90

[Text] In its latest edition, NOVOYE VREMYA, a Soviet political weekly magazine, reported that human rights are extensively violated in North Korea and that many concentration camps exist there. This weekly magazine also reported that no information is made public in North Korea and that its society is closed.

North Reportedly Spent Billions on Imported Arms

SK0307031290 Seoul YONHAP in English 0313 GMT 3 Jul 90

[Text] Seoul, July 3 (YONHAP)—North Korea spent 4.044 billion U.S. dollars on arms imports between 1986 and 1988 and sold 255 million dollars worth of weapons to Third-World nations, a report to the National Assembly by the National Unification Board revealed Tuesday. Quoting statistics published by the Stockholm International Peace Research Institute, the report said North Korea spent 1.088 billion dollars to import weapons in 1986, 787 million dollars in 1987 and 2.169 billion dollars in 1988.

The unification board estimated that purchases from the Soviet Union in the 1980s under military assistance programs included 30 MIG-29 fighters, 18 SU-25 fighters and 24 SAM-5 mobile surface to air missile systems. Soviet weapons shipped to North Korea in the 10-year period also included 11 SSN-2 ship to ship missiles, 240 AA-7 air-to-air missiles, 720 AA-8 air-to-air missiles, 234 surface-to-air missiles, SA-7 surface-to-air missiles, 120 SSN-2 ship-to-ship missiles, and 240 SS-1B surface-to-surface missiles, the report said. North Korea built 62 BMP-MICV tanks and 542 T-62 tanks with technical assistance from the Soviet Union in the cited period, according to the report.

Japanese Weekly Cited on Seoul-Moscow Ties

SK3006030190 Seoul YONHAP in English 0210 GMT 30 Jun 90

[Text] Tokyo, June 30 (YONHAP)—The Soviet Union is considering upgrading its consular department in South Korea to a consulate general or a diplomatic liaison office instead of normalizing diplomatic relations, a Japanese weekly newspaper has reported.

A story in the July 10 issue of KOKUSAI SHUHO (International Weekly), published by JIJI press, said Moscow feared that once it established diplomatic relations with Seoul, the Soviet boom in Korea would evaporate. Predicting South Korean business interest in the Soviet Union would shift to China after Seoul and Moscow set up ties, the article said the reason Moscow was delaying the establishment of diplomatic relations was not North Korea but this concern.

The article, headlined "Soviet Union, over-expecting South Korean economic power," said the Korean consular department in Moscow has only three staffers besides Kong No-myong, the mission chief, but is more actively engaged in diplomatic activities than the Japanese Embassy, which has a staff of 60 and is busy preparing for Soviet President Mikhail Gorbachev's visit to Tokyo next year.

The weekly said advertisements by Korean businesses, such as the Hyundai Group and Korean Air, appeared in the Soviet press in far greater numbers than Japanese advertisements and approaches to the Soviet Union by the Korean mass media were more intense than those by the Japanese. It said Soviet diplomats, researchers and correspondents were waging heated competition for assignments in Seoul.

Newspaper on Absence of DPRK, USSR Envoys

SK0307041950 Seoul CHOSON ILBO in Korean 3 Jul 90 p 2

[Text] It has been learned that Son Song-pil, North Korean ambassador to the Soviet Union, who was recalled home shortly before the ROK-Soviet summit talk was held, has not returned to Moscow. Also, on 2 July, it has been learned that Gennadiy Georgiyevich Bartoshevich, Soviet ambassador to North Korea, left Pyongyang because of sickness.

A government official said that "it was confirmed that Soviet Ambassador Bartoshevich has not been in North Korea for a long time." The official explained that "the fact that Son Song-pil remains in North Korea shows mixed and subtle relations between the Soviet Union and North Korea."

Remain Away From Posts

SK0307034090 Seoul YONHAP in English 0302 GMT 3 Jul 90

[Text] Seoul, July 3 (OANA-YONHAP)—North Korea's ambassador to the Soviet Union has been away from his post since he was called home in late May to show Pyongyang's displeasure over South Korean President No Tae-u's meeting with Soviet President Mikhail Gorbachev, a government source said Tuesday.

The Soviet ambassador to North Korea has long stayed "outside Pyongyang" because of illness, the source said. Despite the "virtual summons" of their ambassadors by Moscow and Pyongyang, there seems to be little change in relations between the Soviet Union and North Korea, allies for more than 40 years, said the source, who declined to be identified.

Analysts here say the situation may reflect uneasiness in Pyongyang-Moscow relations due to improved ties between Seoul and Moscow. No and Gorbachev agreed in talks in San Francisco in June to establish diplomatic ties and visit each other, culminating South Korea's efforts to upgrade ties with the communist superpower. North Korea denounced the meeting as an intolerable betrayal by the Soviet Union.

Meanwhile, the source was skeptical of remarks by the head of Romania's pro-democracy movement that there is dissent among core members of the North Korean Workers (communist) Party. Silviu Brucan, a leader of the Salvation Front, which began the pro-democracy drive to topple the government of President Nicolae Ceausescu, made the remarks in interviews with the Korean press in Seoul on June 13 and to THE NEW YORK TIMES last week in Moscow.

A former ambassador to the United States and the United Nations and a professor at the University of Bucharest, Brucan said some senior North Korean journalists in Pyongyang oppose North Korean leader Kim Il-song and that North Korean dissidents promised him they would launch an anti-Kim drive. "The existence of anti-Kim Il-song figures among such high-ranking officials as members of the Central Committee of the Communist Party is hardly believable," the source said.

Samsung Suspends Steel Exports to Soviet Union

SK3006005590 Seoul THE KOREA TIMES in English 30 Jun 90 p 8

[Text] Samsung Co. has suspended exports of steel to the Soviet Union because Moscow is unable to meet its payment obligations, it was learned yesterday.

The general trading company affiliated with the Samsung group and Pohang Iron & Steel Co. (POSCO) signed a contract with the Soviet Union early this year to export 750,000 tons of steel products worth $390 million by 1992, at 250,000 tons per year.

Samsung had already shipped 50,000 tons of steel worth $20 million, supplied by POSCO, to the Soviet Union in the first half of this year.

But the Soviet Union has not settled its account with Samsung because of its shortage of hard currency.

As a result, Samsung suspended the export of 30,000 tons set for the second quarter of the year to the Soviet Union.

It is generally expected that it will be impossible for Samsung to export 250,000 tons of steel products to the Soviet Union by the end of the year.

In the meantime, sources at Samsung said that their company decided to cease exports of steel to the Soviet Union for the time being because of the Soviet failure to settle the account.

They predicted that steel exports to the Soviet Union would be resumed sometime after August or September on the grounds that Soviet foreign exchange problems will be improved.

On the other hand, POSCO said that it is ready to supply steel products which will be shipped to the Soviet Union to Samsung at any time if the general trading company requests it.

In addition to Samsung, Lucky-Goldstar and Daewoo have already suspended exports of daily necessities to the Soviet Union because of Moscow's inability to settle trade accounts.

No Congratulates Kohl on Unification Progress

SK0307005290 Seoul THE KOREA HERALD in English 3 Jul 90 p 1

[Text] President No Tae-u called West German Chancellor Helmut Kohl yesterday and congratulated him on making rapid progress toward German unification.

"I offer wholehearted congratulations to your excellency and the German people on the effectuation Sunday of a treaty for the integration of currency, economy and society, which is a prelude to political unity," No said.

In the telephone conversation which lasted for about 10 minutes from 6 p.m., the president said he expects the German people to render continued support for Seoul's endeavors to bring peace and unification on the Korean peninsula.

"I hope that your excellency will complete the unification process this year and visit Seoul next year as the first prime minister of a unified Germany," No said.

Kohl thanked No for calling, and said he and the German people are keenly interested in prospects for unification of South and North Korea.

"We will offer all possible support to the Korean people so that like us, they can move rapidly toward unification," the West German chancellor told No.

Ruling Party Rejects Charges of Funds Diversion

SK0107015590 Seoul THE KOREA HERALD in English 1 Jul 90 p 2

[From the "Out and About" column: "Kim Tae-chung Remarks"]

[Text] The ruling party yesterday rejected opposition PPD [Party for Peace and Democracy] leader Kim Tae-chung's allegation that during the 1987 presidential election campaign, then presidential candidate No Tae-u diverted 55.2 billion won in the budget of the government, saying the budget was used legally for a series of projects for local development.

DLP [Democratic Liberal Party] spokesman Pak Hui-tae said it is deplorable that the No.1 opposition PPD has made such an accusation against the ruling party.

He also said Prime Minister Kang Yong-hun will make public the result of the investigation into the alleged misappropriation of Seoul city funds within a week.

Kim Yong-sam Comments on Constitutional Revision

SK3006013790 Seoul YONHAP in English 0100 GMT 30 Jun 90

[Text] Seoul, June 30 (YONHAP)—President No Tae-u's promise not to revise the Constitution without the consent of the people means he will not seek to revise the Constitution, according the No. 2 man in the ruling party.

Kim Yong-sam, chairman of the Democratic Liberal Party (DLP), said Friday the Constitution would be amended only if 70 percent to 80 percent of the people were for it, but only 30 percent to 40 percent currently support amendment. Kim was commenting on the president's remarks on Thursday that the ruling camp would not rewrite the basic law to adopt a parliamentary system of government unless the people and the opposition gave their consent to the move.

The ruling party has 218 seats in the 299-member National Assembly, giving it enough votes in the single-chamber Assembly to revise the Constitution against the will of the minority. Some quarters of the government party, restructured early this year with the merger of two opposition parties, raised the issue of constitutional amendment in the current National Assembly, triggering a sharp repercussion from the opposition and charges that the move was a plot to stay in power for good.

Revision is virtually impossible because public support cannot climb so high in the next two to three years, said Kim, who was a life-long opposition leader until jumping ship in February. Kim, then president of the Reunification Democratic Party, joined the merger of the ruling Democratic Justice Party (DJP) and the New Democratic Republican Party (NDRP), led by Kim Chong-pil, to form the DLP. Former DJP and NDRP members put a different spin on No's remarks, saying they were not a renunciation of the party's plan to revise the Constitution.

Former Journalist Yun Appointed Vice Minister

SK0307005090 Seoul THE KOREA HERALD in English 3 Jul 90 p 2

[Text] The government yesterday appointed Yun Yo-chun, a presidential secretary for political affairs, new vice minister for political affairs, new vice minister for political affairs.

His predecessor, Yi Chae-won, was named standing researcher for the National Policy Institute under the ruling Democratic Liberal Party.

Born in Nonsan, Chungchongnam-do, Yun, 51, is a journalist-turned administrator.

After working as a reporter at the KYONGHYANG DAILY NEWS and the TONG-A ILBO, he joined the Ministry of Culture and Information and served as spokesman for the Korean Embassy in Tokyo and Singapore.

GATT Procurement Pact Membership Sought

SK0107014990 Seoul THE KOREA TIMES in English 1 Jul 90 p 8

[Text] Korea has submitted an application to join the government procurement pact of the General Agreement on Tariffs and Trade (GATT).

According to the Trade-Industry Ministry, the application was delivered to the government procurement pact committee of GATT during the panel's meeting held in Geneva on June 29.

The government agreed to join the pact with the United States in negotiations on the opening of the telecommunications industry on June 1.

At that time, the government told the United States that it will sign the pact within this year.

Currently, 20 countries are signatories to the government procurement pact of the GATT, the international watchdog on customs duties and trade.

They include the United States, the 12-member European Community and Japan.

They are obligated to allow each other to take part in government procurement projects.

With the submission of the application, Korea will start negotiations with the 20 countries within this year to select government procurement projects in which they will participate.

Based on the negotiations, the government will revise relevant laws and is determined to permit the 20 countries to take part in its procurement projects from 1992.

Consequently, Korea will be allowed to take part in government procurement projects by the 20 countries.

In its application, the government said that it will allow these countries to enter into the purchase of merchandise by 27 state-invested organizations, including the Office of Supply, the Korea National Housing Corporation and the Korea Telecommunication Authorities.

But the government has decided to restrict them from taking part in its procurement projects in case the goods concerned are subject to their localization or can be purchased from North Korea.

By joining the government procurement pact of the GATT, Korea will be able to enter the bidding on various projects around the world amounting to some $30 billion in value per year.

On the other hand, Korea will be obliged to open its procurement market worth about $572 million per year to the 20 signatory countries to the pact of the GATT.

The government procurement pact was signed in 1979 in a bid to liberalize the purchase of products by governments.

The signatories to the pact are required to concede the yearly purchase of products worth more than 100 million won to each other.

Planning Board Report Reveals Rise in Inflation

SK3006025990 Seoul YONHAP in English 0246 GMT 30 Jun 90

[Text] Seoul, June 30 (YONHAP)—Consumer prices climbed 7.4 percent in the first half, pushing the annual rate of inflation to its highest level since it was 18.6 percent in 1981, according to an Economic Planning Board (EPB) report released Saturday. Wholesale prices rose 3.3 percent for the six-month period.

The high rate of inflation was attributed to soaring prices of agricultural products, sharp increases in private service charges and runaway rents. Consumer prices were pushed up 3.35 percent by farm and stock products, including rice, beef, pork and vegetables, 1.23 percent by public service charges such as school tuition and medical insurance rates, 0.98 percent by private service charges, and 0.94 percent by house rents. By city, inflation was 8.3 percent in Taegu, 8 percent in Suwon and Chongju, 7.8 percent in Chonju, and 7.6 percent in the capital and Masan.

Experts said it will be difficult for the government to curb the inflation rate at 9 percent for the whole year, the target it set recently to replace the original goal of 5-7 percent. EPB officials forecast, however, that inflation will slow in the latter half because government anti-inflation measures are beginning to take effect, with price hikes down to 0.6 percent in June, the lowest monthly level this year.

Sees Bright Economic Prospects

SK3006014590 Seoul YONHAP in English 0125 GMT 30 Jun 90

[Text] Seoul, June 30 (YONHAP)—South Korea's leading indicators of business activity ended a three month winning streak in May, but the reversal is temporary, according to a monthly industrial activity trend report released Saturday by the Economic Planning Board (EPB).

The coincident index, an indicator of present business activity, lost 0.7 percent in May, reversing an upturn since February. The leading business index, telling economic activity two or three months ahead, declined 0.1 percent. Industrial output, due to disputes in large manufacturers, dropped 2.2 percent in May and operating rates fell from 80.4 percent a month earlier to 76.4 percent. Domestic orders for machinery, an indicator of facility investment, gained 116.6 percent over the same month last year, and construction orders grew 47.6 percent, suggesting that the May decline was a temporary phenomenon.

Another EPB report, on the business survey index, gives bright prospects for the Korean economy. The business survey index, an indicator that includes business psychology, is 130.6 points for the third quarter, up from 116.2 in the second quarter and 59.7 in the first quarter.

Auto Exports to Communist Nations Increase

SK3006053590 Seoul YONHAP in English 0503 GMT 30 Jun 90

[Text] Seoul, June 30 (YONHAP)—South Korean automobile exports to communist countries are brisk this year, with the figure for the first five months double that of last year, according to the Korea Automobile Manufacturers' Association on Saturday.

Korean automakers exported 625 vehicles to the Soviet Union, Yugoslavia, China and Vietnam in the first five months, up from 297 vehicles in the same period last year, the association said. Yugoslavia was the biggest buyer, importing 334 cars and one bus, followed by Vietnam with 31 cars, 149 buses and three trucks. China bought 71 cars, one bus and one truck while 33 cars and one bus were shipped to the Soviet Union in the period.

Hyundai Motor Co., Korea's largest automaker, sold most to the communist world. Hyundai sold 31 Excels and two Sonatas to the Soviet Union, 324 Excels and 10 Sonatas to Yugoslavia, one Sonata to China, and one Excel, one Sonata and 99 Grace vans to Vietnam. Kia Motor Co. shipped 20 Pride cars, one Vesta coach van and a 2.5-ton truck to China, and one Pride, 28 Concord cars, 50 Vesta coaches and three trucks to Vietnam.

Daewoo Motor Co. sold 50 Lemans racer cars to China while Asia Motor Co. exported one bus to Yugoslavia. Auto exports to the communist world are likely to rise in the latter half with the opening of a display of Korean auto parts in Belgrade, Yugoslavia, the association said.

First 1990 Monthly Trade Surplus Recorded

SK0207121090 Seoul YONHAP in English 1157 GMT 2 Jul 90

[Text] Seoul, July 2 (YONHAP)—South Korea's external trade registered its first export surplus on the basis of customs clearance last month this year on the back of a slowdown in imports, a tentative tally filed Monday by the Trade-Industry Ministry said. In June alone, exports totaled 5,667 million U.S. dollars, a 4.4 percent gain over the same month last year, exceeding by 230 million dollars imports which grew a marginal 2.1 percent, the report said.

These figures cut the the trade deficit of the first half of this year to 2.8 billion dollars. During the first six months, exports totaled 29.74 billion dollars, up 1.7 percent from the corresponding period last year, while imports topped 32.51 billion dollars, up 11.5 percent. A sharp drop in the growth rate of imports was due to declines in the international prices of raw materials and a setback in demand for foreign products following a slowdown in domestic consumption, the ministry officials said.

Despite an export surplus in that month, the growth rate of the arrivals of letters of credit (L/C) remained at a disappointing 1.6 percent, casting a shade over an expectation of an early recovery of export boom. During the first six months, the nation's exports turned out to have increased 1.3 percent in terms of quantity of exported merchandise and 6.2 percent in terms of value calculated at the won currency. Exports of footwears, tires, ships, synthetic resin and general machineries posted double-digit growth rates while those of textile products and assembled cars remained in the doldrums.

Ministry officials said exports to the European Community increased gradually while those to the other two largest trading partners, the United States and Japan, continued to plunge. In the first five months of this year, exports to the United States decreased 5.6 percent to 16,716 million dollars and those to Japan 8.8 percent to 4,653 million dollars, whereas exports to the EC increased 2.9 percent to 3,051 million dollars. Trade officials fear that the trade account with the United States for this year would end up with loss for the first time in more than a decade. The South Korean Government has sought to curb this year's trade deficit at 2 billion dollars with 66 billion in exports and 68 billion in imports.

Burma

Article Accuses BBC of Spreading 'Falsehoods'

BK2906094190 Rangoon WORKING PEOPLE'S DAILY in English 20 Jun 90 p 5

[Bo Thanmani article: "The BBC Still Attacking Myanmar Naing-Ngan Spreading Falsehoods and Lies"]

[Text] The people of Myanmar [Burma] Naing-Ngan have not forgotten that the imperialists and colonialists in the western countries have given us all kinds of troubles spreading all sorts of falsehoods and rumours all through the ages. There is ample historical evidence that they spread such falsehoods and rumours as if they were serving the interests of the people of Myanmar Naing-Ngan but as a matter of fact their aim is to cause the disintegration of our nation. The attacks they made on Myanmar Naing-Ngan by spreading false and fabricated news and rumours during 1988 are still fresh in our memory.

The BBC, at 8.15 pm on 4-6-90, broadcast an article on Myanmar Naing-Ngan with comments which appeared in the Time Magazine. It was writen by columnist Merry Majester. I would like to ask this newsman who lives in London why he has writen such falsehoods as if he were a fortune-teller. I would like to refute each paragraph of his article so that the people may get the idea of how false what he has written is.

The colomnist has written that the military government in Myanmar Naing-Ngan has been saying this and that as regards when State power is to be handed over and the delight felt by the people at the conclusion of the election over three months ago has changed into disappointment and dissatisfaction.

The Chairman of the State Law and Order Restoration Council has declared to the whole country that State power would be handed over to a strong government. The returns of the election are still being announced and matters are being carried out according to the Election Law. The article broadcast by the BBC said that the Government was doing this and that; this shows that the writer does not [as published] know next to nothing about Myanmar Naing-Ngan and that since he wrote it with grudge and intense intent to attack and slander the State Law and Order Restoration Council what he has written are all wrong.

"Your saying that the people are dissatisfied after the holding of the election is not true at all. You are not in Yangon [Rangoon] and you should not have written about this. All are happy and it is peaceful. Don't spread slanders." That's what I would like to say to you. The State Law and Order Restoration Council has been correctly and calmly doing what it has to do according to the promise it has given and the BBC deliberately broadcast slanderous attacks against it.

What he has written shows that he has no knowledge of the political situations of Myanmar Naing-Ngan at all. Myanmar Naing-Ngan is a nation in which various national races live together and they have been striving, throughout its history, to prevent disintegration of the Union, to prevent disintegration of national solidarity and to prevent the nation from being turned into a colony again. Myanmar Naing-Ngan today is undergoing a turning point. How can a government be formed if there is not a suitable constitution in a nation? The time factor depends on the activities of the people and the State.

The next paragraph in the article contained distortions. It made false allegations as regards the position of the Myanmar Naing-Ngan, the attitude of the State Law and Order Restoration Council as if they were made by diplomats from Western nations. Please read it.

"The diplomats from western nations in Yangon say the State Law and Order Restoration Council is employing delay tactics. They say that it is true the State Law and Order Restoration Council has got wavering because even their own officers, by their votes, have expressed overwhelmingly that they have no faith in it."

The writing of this news article is of a very low standard.

He writes that the ballot shows great distrust of the State Law and Order Restoration Council. I would like to ask then: Did the State Law and Order Restoration Council stand for election? What a funny joke! It is not strange that the BBC broadcasts such falsehoods. The BBC knows that the State Law and Order Restoration Council acted in the election as a referee but it simply ignored this and broadcast the news article as if the State Law and Order Restoration Council had contested the election. It is an outright lie and a deliberate attack. Who are the western diplomats who, it says, are in Yangon [Rangoon]? I would like the BBC to give their names, the countries they represent, their addresses. Just saying the news came from the western diplomats does not mean anything. It is a lie. The State Law and Order Restoration Council has nothing to waver about. Those who waver will be none other than the so-called western diplomats and the writer of the article broadcast by the BBC.

Another paragraph is full of words that try to sow discord between the people and the Tatmadaw [Defense Services]. This is an age-old method they have been using. Some westerners, some periodicals and the imperialists and colonialists have written a large number of books that discredit Myanmar Naing-Ngan and that sow discord and disunity between and among the national races as well as among the people of our country.

Read the following broadcast by the BBC:

"A considerable number of personnel within the army are those that really believe that they are the only force that has brilliant knowledge and intelligence and that it is only they who are able to save the People of Myanmar Naing-Ngan. A veteran western diplomat in Yangon said that an officer had told him that it was because the people were so naive that they had voted for the NLD [National League for Democracy]."

The Tatmadaw of Myanmar Naing-Ngan today has been in existence for about 50 years. The members of Tatmadaw are the offspring of the people from various national races. The Tatmadaw is one with the people. I consider that it is because the so-called veteran western diplomat is jealous of and dissatisfied with this that it has said such deliberate lies.

It is inconceiveable that Tatmadaw officers tell such things to western diplomats who have such pessimistic views on and malacious attitudes towards Myanmar Naing-Ngan. The aim of the BBC that has broadcast it is to sow misunderstanding and discord between the State Law and Order Restoration Council Tatmadaw that is carrying out the duties of State uprightly and correctly and the people as well as to sow misunderstanding between the Tatmadaw and the NLD. It is an evil attack.

Please read the next paragraph:

"It is said by the people of Yangon that the organizers and agitators for democracy are still being shadowed and their activities being noted down. One of the organizers said that it has become very tedious and that under the circumstances he does not know what to do to achieve democracy."

"How did the writer of the article who lives in London know what the Myanmars and the politicians who live in Yangon said? How funny it is! As a matter of fact the BBC, as it usually does, makes predictions along the line it likes things to proceed to get the others follow it and thus sow the seeds of discord. While the organizers for democracy are carrying out their work dutifully, the BBC is trying to cause disturbances. "The use of the word "tedious" implies what the BBC means to say "Don't go on like this. Don't rise up and make disturbances". The people of Myanmar Naing-Ngan cannot allow such disturbances to take place again.

The people realize that the BBC, in collusion with the writer of the article, has shuffled the cards themselves, cut them and played them in such a way as to make sure that they win.

It is found that the next paragraph of the article makes fun of the State Law and Order Restoration Council and NLD. I would like to ask the BBC if they still consider Myanmar Naing-Ngan to be a colony of their nation so that they may broadcast whatever false news about our nation. "It is said that it is nearly three weeks after the holding of the election which was said to be free and fair and the State Law and Order Restoration Council has not agreed to meet with the leaders of NLD," it broadcast.

The Election Commission is still announcing the returns of the election. It is carrying out its tasks according to the Election Law and the work has not yet been finished. I would like to ask on what grounds the writer of the article has written that the State Law and Order Restoration Council has not yet agreed to meet with the leaders of the NLD. It is learnt that since it is the time for each to carry out its respective work and since it is the time the respective work has not yet been finished, the State Law and Order Restoration Council has nothing to say.

Such writing that deliberately puts others in a difficult position should not have been broadcast. Moreover, saying that it was written by a western diplomat, the writer makes fun of the State Law and Order Restoration Council as well as the NLD. The whole article is found to contain writings that make fun of the State Law and Order Restoration Council, that make appraisals from the pessimistic point of view, that try to sow discord and disunity between the Tatmadaw and the people and that set one against another and all this the BBC has broadcast. Read the following. "Columnist Merry Majester has written an atticle in the today's issue of the Time to the effect that a western diplomat in Yangon said that the NLD and the State Law and Order Restoration Council are like showing a 'shadow' play and that the State Law and Order Restoration Council is trying hard and making calculations on how to outwardly give up power."

The People of Myanmar Naing-Ngan will know that this is a paragraph that attacks and slanders the State Law and Order Restoration Council as well as the NLD. This vividly shows selfconceit of some western journalists and their habit of looking down upon the people in the eastern countries and their taking every opportunity to slander them.

It is very clear that the BBC has always been thinking of how to attack Myanmar Naing-Ngan and has taken the opportunity to spread falsehoods and lies about Myanmar Naing-Ngan. "Whether the 'opinion of a western diplomat' is the opinion of the writer of the article and of the opinion of a really living man will be known only to the BBC, the writer and God alone."

Cambodia

Thai Paper Notes U.S. Senate Decision on Aid

BK0207015190 Bangkok BANGKOK POST in English 2 Jul 90 p 9

[By Ponphimon Kanchanalak in Washaington]

[Excerpt] The leak of the US Senate Intelligence Committee's decision to end covert aid to the non-communist resistance could be viewed as a prelude to the Senate's action on non-lethal aid, informed sources said here yesterday. The sources said the leak, which they believe was intentional, was intended to mobilise public awareness and invite more public debate on the issue.

A report of the Senate committee's decision, which appeared on Friday in the WALL STREET JOURNAL, reportedly embarrassed panel chairman Senator David Borer because the leak confirmed the US administration's assertion that Congress "can't keep any secrets." But more significantly, the leak is a clear indication of growing concern and impatience in some quarters in Washington with the Cambodian problem and US policy on the issue.

Normally, deliberations of intelligence panels of both Houses are held in utmost secrecy. The action of the Senate committee last week was part of its closed-door deliberations on the 1991 Authorisation Bill, covering the budget for the Central Intelligence Agency. The CIA has been used to provide covert aid to fighting forces in regional conflicts throughout the world, including in Angola, Cambodia, Afghanistan and Nicaragua.

The committee's decision was described as a "rolling consensus" that the time had come to end the aid to Cambodia, which is believed to have begun in the early 1980s. In the last 10 years, the aid is believed to have totalled 10-25 million dollars, including logistics and military training for the non-communist resistance, through the Thai Government.

Recently the aid drew considerable controversy because of alleged abuses and misuse of the funds. The programme came under growing criticism after persistent reports of increasing military cooperation between the non-communists and the Khmer Rouge, the most powerful of the three anti-Phnom Penh factions.

The Bush Administration's policy towards Cambodia is now at a critical juncture. Public opposition is mounting against the policy in editorials and features. But it is in the Congress, particularly the Senate, where the opposition is strongest. Last week, the House voted 260 to 163 to restore funding to the non-communist resistance after the House Appropriations Committee amended its Foreign Aid Bill, which would have ended non-lethal aid to the non-communists. Although the House decision seemed to give the administration temporary relief, those close to the action knew it was a close call. [passage omitted]

Son Sann Gives Interview on Current Situation

BK0107125790 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Jul 90

[Unidentified station correspondent's interview with Son Sann, president of the Khmer People's National Liberation Front and prime minister of the Cambodian national government; place and date not given—recorded]

[Text] [Correspondent] I am a representative of the Voice of the Khmer [VOK] radio. Greetings to His Excellency Son Sann, president of the Khmer People's National Liberation Front [KPNLF] and prime minister of the Cambodian national government.

I recently heard that your excellency president has met with leaders of many important countries, including the representative of the UN General Secretary. Could you please tell our compatriot VOK listeners about the recent political situation relating to a solution to the problem in Cambodia?

[Son Sann] I would like to thank you, VOK, for giving me an opportunity to inform compatriots about the peace issue in Cambodia. We all want peace quickly so as to rebuild our country.

It is true that I have met with many friends, any friends who are sympathetic to Cambodia, in order to find a quick solution to the Cambodian people. There are things that I cannot talk about in detail because they are still being worked out in order to assist us. However, in general, I have the duty to inform our compatriots that these countries want to help us but they have told us, Cambodians, to also make efforts because this is a Cambodian problem. A number of foreign personalities, who have met with Cambodians, have told one party not to think too much; if you are Cambodian, you should think about the Cambodian people. [passage indistinct] I have already said since Bogor and Jakarta that if we can solve the Cambodian problem, with each one of us sacrificing and being reconciled with one another, then this would be very noble.

I also heard—I am saying this to inform our compatriots to be vigilant—that Vietnam, which has committed aggression against our country, has announced that it has pulled out its troops from our country. In fact, as you all know, and the international community too has clearly realized it, a lot of Vietnamese have returned to massacre Cambodians. Everyone knows this, there is no need to talk about it anymore.

There are however some points which affect our nation's destiny. What Vietnam currently wants is international recognition and acceptance that Vietnam's act of aggression is justified. Therefore, Vietnam has been issuing propaganda saying that it has come to Cambodia not to commit aggression but to assist it because one party was committing genocide. This is Vietnam's propaganda line. Whether it is right or wrong, this is to get the international community to punish that party so Vietnam can remain in Cambodia.

Whether Vietnam can stay or not depends on Cambodians. If all four Cambodian parties agreed among themselves and said that the Cambodian problem has to be solved by Cambodians, all foreign countries should be withdrawn from the country under UN control. This way, the issue would move forward.

In my view, Vietnamese troops are stationed in well-known places. These troops include those hidden in the jungles, those stationed since the war against the United States, and those hidden among Heng Samrin's forces. All this is known. These troops have also taken part in attacks in Svay Chek. All this is known; there is no need for me to talk about it in detail. But there is something in Vietnam's policies which we might not have realized. This policy is aimed at destroying Cambodia. We did not realize this. Vietnam has massacred a number of our people. Our compatriots realize this, particularly those who have been forced to take to the jungles or mobilized to work along the Cambodian-Thai border to dig canals and erect a wall, called the bamboo wall and plant mines along it. A lot of our compatriots have died of malaria.

The Vietnamese have also felled trees. To this day, many thousands of square kilometers of forest have been cleared. The exact figure is not known, but at least three or four thousand square kilometers have been cleared. At first, I thought it was probably a thousand, but now I realize that it is more than that. The number of Vietnamese nationals living in Cambodia, according to scholars and researchers in Cambodia, is not 1 million as I thought and said, but over a million, maybe 2 million.

The Vietnamese also arrested our compatriots who do not like Vietnam's policies and who want genuine democracy and freedom. You are aware of this. For those compatriots abroad who might not know, this is a piece of information for you. The arrest of the few people who were recently taken into custody was ordered by the Vietnamese.

[Correspondent] Thank you Your Excellency President. Apart from this, I have also received reports on corruption, incompetence, and confusion in Cambodia under the temporary administration of the Vietnam-Heng Samrin regime. What are you views on this?

[Son Sann] To be frank, it is regrettable that policies have been carried out which led to this situation. However, I do not want to reproach anyone at the moment. Compatriots are aware of this. You have suffered because of these incorrect policies.

I want reconciliation; for this reason I do not want to talk about it. However, I would like to talk about some of my experiences. Take for example, the prices of goods which keep rising. I do not know what policy is responsible for this. Salaries are also insufficient. I am very aware of this. Compatriots inside the country are having a very hard time. Even those who are very honest have to do some improper things in order to survive and feed their families.

If our civil servants have let our people and compatriots fall to this level already, it will be very hard to rectify the situation later on. However, I would like to pass on this advice. I used to be governor of the Cambodian national bank. Everyone knows this. Then, there was gold in the bank reserve. I told people not to use it because this gold is for ensuring the value of our Riel currency. The people now in charge have not been doing their work properly. Why do they not realize which way the wind is blowing?

The international community no longer likes socialism. Eastern Europe, CEMA, and the Soviet Union—which used to help Cambodia—have now changed their policies. The direction has been changed. If one is a real leader, one should also adjust quickly to this change. As you know, Western Europe [as heard], CEMA, and the Soviet Union have already said that at the beginning of next year, they will no longer provide any assistance. When this happens, you will be deeply in debt with Eastern Europe and the Soviet Union—up to thousands of millions of dollars. Everyone knows and realizes this. This is precisely what causes the devaluation our Riel currency.

With the gold now remaining in the bank—I do not know how much there is, but I hope there is still a lot—do keep it to ensure our Riel currency. However, you have spent a lot. You have bought—I do not know with what kind of money—this or that to prepare for elections. This is not proper because the value of the Riel currency ensures the stability of our compatriots' living standards. If you have already spent this gold and used the money—god knows where this comes from—there will be no stability and no balance in the budget. The Riel currency will further lose its value. If you have used this gold as well, there will be nothing left to ensure this currency. If this is the way you work, you are destroying the nation's interests. So, please keep whatever gold you have left in order to help preserve your Riel currency, for which you are responsible.

If I see something, I let you know not to criticize but so that you rectify the situation in order to save our country from disaster. The more destruction that occurs in the country, the more Vietnamese assistance you will need. Vietnam is now providing assistance, but it will soon run out. When this happens, the Vietnamese will be living on top of us. They will take our fish and our resources to feed themselves. This will cause further hardship for our people. Please think about this. It is now time to be reconciled and to quickly restore peace in our country.

[Correspondent] Thank you, Your Excellency President. Furthermore, I have received reports that East European countries, which have carried out revolution and changed from socialism to liberalism, have cut off aid to Vietnam's Heng Samrin regime. More recently, I have heard that some countries in Eastern Europe have directly contacted you in your capacity as KPNLF president. Can you specify whether or not this is true?

[Son Sann] This is true, but I do not want to talk about it. However, I can let compatriots know that soon I will visit a country, with that country's consent. I can say it; it is Poland. I have many friends there. I cannot help it; I am old and have been working for a long time. Everyone knows me, be it in the Western or Eastern bloc. If their policies did not allow this, they would not contact me. Now, it is not only Poland. There are other countries that have come to me. They have agreed to receive me in the role as KPNLF president. I will be going soon. This is because these countries think that the front seems to be doing its work properly; thus they have modified their policies and have turned to me. They know my records and how I work. They have sympathy for me and want to help me. They want me to go to their countries, not on an official basis, but as an individual to get to know one another.

This is why they have recalled the past. I have agreed to go. I am glad. I do not know how this will turn out, but the countries [words indistinct], which have changed their policies, have thought about us, our front, and me. To be frank, I am very glad about this.

[Correspondent] Thank you Your Excellency President. Furthermore, concerning the economic situation of the

Vietnam-Heng Samrin regime, a number of foreign economic analysts have predicted that, once the East European countries—which used to provide 80 percent of the Heng Samrin-Hun Sen regime's budget—have stopped their assistance, this regime will certainly crumble.

As one who has studied financial matters extensively and who used to be responsible for Cambodia's finances when Cambodia was developing and making progress, what are your views on this?

[Son Sann] I have also heard about this. This will probably cause a lot of difficulties for our Cambodia in the future if we cannot prevent or do not have any means to reform and strengthen our economy. However, this is something to remind those in charge in Phnom Penh. Whatever the case, you will be in ruins. If I want you to suffer and go through this, I would not say anything and just leave it all up to you. But I am not this type. I want reconciliation among Cambodians.

Soon, we are going to meet the five superpowers in Paris. They will meet on 10 or 11 July. These countries' original intention was to meet with all four Cambodian parties. They have realized that the position of our Cambodian parties is not unanimous; we still cannot be reconciled among ourselves. They saw this in Tokyo. Friends [passage indistinct], we did not achieve much. Thus, I am not sure that the five superpowers, which will meet in Paris on 10 or 11 July, will ask us to attend the meeting. However, I hope that they will have sympathy for us and will ask us to take part in it. In my view, this will be the last opportunity for the international community to still be sympathetic to us. The world is getting tired and almost does not care anymore about the Cambodian problem.

Thus, I appeal to compatriots in all four Cambodian parties to be reconciled among themselves. This is why I proposed a technical meeting to discuss the points on which we still disagreed and agree as much as possible on the points. Please, the four parties should meet quickly, either in Bangkok or in France. In particular we want Hun Sen, who faces the most problems, to agree to meet. This would be an opportunity for Cambodians in all four parties to understand one another and be reconciled before the meeting with the five superpowers. These countries will accept us once they realize that we are making such efforts, even though we cannot produce a 100 percent agreement. If we show a 60-70 percent understanding among ourselves, they will accept us. Once they have accepted us, we will put forward our request. The five superpowers also have a solution. They will help us solve all these problems. We know these countries' problems. They want a peaceful solution to the Cambodian problem; all Vietnamese troops should be withdrawn from Cambodia; all Cambodian parties should lay down their arms; and the United Nations will assist us in running the government during the interim period until the election and will organize this election for us.

Thus, anyone would regret losing this kind of assistance. Those in Phnom Penh are facing serious problems. I do know this; do not think people do not know this. People know that soon you will be in trouble in Phnom Penh. Now that there is such an important opportunity, please be reconciled. I appeal to Hun Sen to agree to meet with the other three parties either in Bangkok or in France to achieve technical understanding. This is to show the five superpowers, who are observing us and assessing whether they should continue to help us.

[Correspondent] Thank you, Your Excellency President. Please allow me to ask about another point concerning Cambodia's future. This point is that the Cambodian people expect the possibility of a free election in Cambodia. What do you think of this free election? Suppose one party won the election in Cambodia. Would other parties agree with the election results if this election were (?properly) conducted?

[Son Sann] I do not have the right to answer on behalf of other parties. As for us, the front, which has been administered in accordance with the front's discipline, I can declare today that after the election, I will respect the choice of the Cambodian people, my master [passage indistinct]. I ask for only one thing. I want the election to be properly conducted. [Words indistinct] the atmosphere of the election should be neutral and non-biased. If ballots are cast freely and in secret, I will respect whatever party or individual our compatriots have voted for. This is one thing.

I have firm hope that our people [passage indistinct] people whose work records are not good. This is why I keep reminding those in Cambodia who have done wrong to correct themselves. I have said this again and again. I even begged these people. Please be careful; do not think our Cambodian compatriots do not know your past (?records). This is not so; our compatriots do know about all this. [Passage indistinct] those who take advantage of the people.

[Correspondent] Thank you, Your Excellency. [Passage indistinct] if the KPNLF [words indistinct], what do you think the front should do first to benefit the Cambodian people?

[Son Sann] First of all, I have said again and again that I will not campaign. It is not time yet for this [words indistinct], not like one party which uses money to buy votes [passage indistinct]. It is not time for that yet. But since you asked, here is my answer.

First of all, look back at the way our country was run [passage indistinct]. I hope that other countries will help us. I appeal to those who won the election to look back and correct past mistakes. I used to talk about the economy [passage indistinct].

I am not campaigning yet. When the time comes I will probably not stand in the election, unless compatriots force me to. However, if other parties do not behave properly, I will stand. Let this be known. Otherwise I will not stand because I do not want to side with any parties. I consider all four parties as Cambodians and equals. We should unite and rebuild our country along the path I have said [passage indistinct] then I would stand for election.

[Correspondent] Thank you, Your Excellency President. If I am not mistaken, the first problem you will tackle is the people's living standards. Thank you, Your Excellency President. Before concluding, do you have any other things to pass on to compatriot VOK listeners?

[Son Sann] I have one thing. To reconcile ourselves, I frankly beg those in power in Phnom Penh not to listen too much to the Vietnamese [passage indistinct]. I knew since early 1975 and 1979 about our compatriots' being arrested and imprisoned in Phnom Penh for political reasons and for struggling to liberate our country from the Vietnamese aggressors. I think there must be thousands of them. I beg Phnom Penh, Heng Samrin, Hun Sen, and those in power to release these prisoners. It is time to produce a good and neutral atmosphere conducive to reconciliation among ourselves so that the five superpowers can help us soon.

If this is carried out by Phnom Penh, I ask that not only old political prisoners be released—of course these should be the first to be released because they have suffered for a long time, some since 1979. I will not mention names, but we have hundreds of names [words indistinct] an atmosphere showing that we want to be reconciled among ourselves. I do not ask for the release of only old prisoners; those recently arrested by Cambodians, who were ordered by Vietnam, should also be released to show that we are now working for Cambodian interests and that we no longer listen to Vietnam. The Vietnamese want to annex our country, want Cambodians to kill Cambodians, and settle in our country permanently. Vietnam wants to annex Cambodia as another Kampuchea Kraom [former Cambodian territory now part of south Vietnam]. You and everyone else know this. We oppose this. We have been accused of listening to Vietnam. Now stop doing this. Then the five superpowers will help us.

So, please release these prisoners on time. You know that the international community is going to intervene soon. I have heard that some people in the United States have already intervened on behalf of those recently arrested by Vietnam. I do not specify any prisoners. Please release all of them, including those imprisoned since 1979. [passage indistinct]

[Correspondent] On behalf of compatriot VOK listeners, I would like to thank His Excellency Son Sann, KPNLF president and prime minister of the Cambodian national government, for informing our people.

Son Sen Says To Take Battambang Before Talks

BK0307035490 Hong Kong AFP in English 0338 GMT 3 Jul 90

[Text] Bangkok, July 3 (AFP)—A Khmer Rouge leader said here Tuesday [3 July] that the Cambodian guerrilla faction planned to capture Battambang, Cambodia's second largest city, soon.

Khmer Rouge guerrilla force commander Son Sen told reporters his faction, which dominates a Chinese-backed guerrilla coalition to topple Cambodia's Vietnam-installed government, "wanted to seize Battambang even before the meeting in Paris." Mr. Son Sen was referring to talks slated in the French capital next week among the permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States.

'Confusion' Reported in Kompong Thom Town

BK3006075790 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 Jun 90

[Text] After our Cambodian national resistance forces attacked and smashed the Vietnamese enemy aggressors and traitors Hun Sen and Heng Samrin—Vietnam's lackeys—in Kompong Thom town, the situation in this town has become one of great confusion.

Nearly all the people have fled the town. Puppet civil servants and medical staff in both civilian and military hospitals have also deserted the wounded Vietnamese enemy soldiers, who are being hospitalized in Kompong Thom town. The stench from these wounded Vietnamese and puppet soldiers is spreading throughout the hospital.

On 20 June, many DK-75 shells of the Cambodian national resistance forces directly hit the positions of the Vietnamese enemy and traitors Hun Sen and Heng Samrin in Kompong Thom town. Along with this, there have been rumors that the resistance forces will attack and liberate Kompong Thom town and that this time the attack will be more fierce than the previous one, which was only a test of enemy strength. The situation in Kompong Thom thus becomes even worse.

This is why over the past few days a number of Vietnamese enemy bigshots and a number of puppet leaders of traitors Hun Sen and Heng Samrin—Vietnam's lackeys—have been stationed in Kompong Thom town to oversee the situation. However, these persons are not staying in Kompong Thom town itself.

Reliable sources citing a puppet army officer say that currently all reports from various places have been directed to Kompong Thom as the focal point.

'Great Panic' Noted in Siem Reap, Battambang

BK0107061390 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 Jun 90

[Text] Since the Cambodian national resistance forces attacked and liberated Kompong Thom town on 17 June and cut off the strategic Route 6, the Vietnamese enemies and traitorous Hun Sen-Heng Samrin puppets—Vietnamese lackeys—in Siem Reap and Battambang Provinces have been in great panic. They said that although Kompong Thom is far away from their supply sources, the Cambodian national resistance forces were still able to attack and liberate this town. In Siem Reap and Battambang Provinces, the resistance forces are close to their sources of ammunition and materiel supplies, and they have more manpower. Moreover, they have been pushing closer to these towns. On what do we rely?

This chaotic situation and fear constantly dominate the minds and feelings of the aggressor Vietnamese troops and the traitorous Hun Sen-Heng Samrin puppets. Realizing this, the Vietnamese aggressors and traitors Hun Sen and Heng Samrin issued a directive to cope with this emergency situation. This directive states:

1. All Vietnamese-puppet units must pay attention to boosting and stabilizing the morale of the soldiers.
2. Keep a close watch on all people who talk about their defeated situation.

This directive of the Vietnamese enemies and traitorous Hun Sen-Heng Samrin puppets has no effect on the Vietnamese and puppet soldiers; the chaotic and complex situation still prevails. The Cambodian soldiers continue to stage mutinies, shoot at and kill or wound Vietnamese soldiers or army commanders of the traitorous Hun Sen-Heng Samrin puppets, and flee home or join the national resistance forces.

510 SRV Troops Said Sent to Kompong Thom

BK2606033290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 90

[Text] On 20 June, the Hanoi authorities sent 18 trucks carrying 510 fresh Vietnamese troops wearing the puppet military uniforms from Vietnam along National Route 7, via Tonle Bet and Kompong Cham town, and through Route 6 in Skun to Kompong Thom town.

Ros Chhun Observes Signing of Alliance Protocol

BK0307033690 Phnom Penh Domestic Service in Cambodian 1200 GMT 30 Jun 90

[Text] A ceremony was solemnly held on 26 June at the 80th artillery regiment command to form an alliance among the Council of State Cabinet, the Foreign Ministry and the regiment.

Present in the presidium were Comrade Ros Chhun, member of the party Central Committee and chef de cabinet of the Kampuchean United Front for National Construction and Defense National Council; Comrade Chan Ven, chef de cabinet of the Council of State; and Comrade Sok An, deputy foreign minister, as well as several leading cadres from the cabinet, the Foreign Ministry, and the Defense Ministry.

In reports on their past successes in all areas, the representatives of all units also pointed to the essence of the alliance which is aimed at enhancing the national defense task, promoting the bond between the front line and the rear in the spirit of mutual assistance, building up forces, and successfully implementing the policy toward the rear battlefield, a commitment closely linked with the front.

The ceremony ended with Comrade Ros Chhun's exhortation. He also expressed his admiration and great satisfaction for the achievements scored by each unit. He also gave a brief on the general situation and on the settlement of the Cambodian problem where Cambodia's image—despite the enemies' continuous attempts to ruin the lives, property, and well-being of our people—is increasingly known internationally, and where the enemy's nature and tricks are becoming more exposed.

Health Ministry Forms Alliance With Hospital

BK0307041590 Phnom Penh Domestic Service in Cambodian 1200 GMT 30 Jun 90

[Text] A ceremony was held at the military hospital 1/79 on 27 June by a delegation led by Comrade Chhea Thang, deputy minister of health, and many leading cadres from the Defense Ministry to form the alliance [chang sampoan metrei pheap] between the Health Ministry and the 1/79 Hospital.

Representatives of both sides presented reports on the development of cooperation between the Health Ministry and the military 1/79 Hospital, through which mutual assistance had been provided with the aim of their fully assuming the national defense and construction tasks. Afterward, the two sides agreed to sign, and they exchanged views on relations between the front line and the rear.

The ceremony concluded in an atmosphere of joy and cordiality following the exchange of momentos between the two sides.

AFP Views Differences in Phnom Penh Leadership

BK0307044190 Hong Kong AFP in English 0313 GMT 3 Jul 90

[By Leo Dobbs]

[Text] Phnom Penh, July 3 (AFP)—The Cambodian Government's recent moves against dissent are a preventive measure aimed at ensuring unity during a time of civil war, socialist bloc analysts here say. They said government officials advocating political change appeared to have been dealt with relatively mildly and there had been no concrete evidence of wide-scale purges and arrests, adding that this indicated the problem was not a serious one for Phnom Penh.

A Soviet analyst further noted that it would not be in the interests of the government, which most Western-oriented administrations do not recognise, to be seen as repressive at a time when it sought to present a good image overseas.

A top diplomat, who requested anonymity, said he believed the government had shifted liberals from influential positions in the past few weeks and clamped down on attempts "not to fight but to ask for liberalism as in Eastern Europe" because it needed unity while the war with the resistance continues.

The socialist envoy said there was "a state of war against them (the Phnom Penh government) so they don't want to have some unrest, some disturbances, some big discussion on so-called democracy and liberalism" and described the move as a "preventive measure, perhaps." He added that the government seemed anxious to unite all efforts at dealing with the civil war and that it saw as damaging to this cause efforts by internal members to "create a sentiment of discord among officials."

A top interior ministry official said here last week, without elaborating, that Phnom Penh had blocked all attempts to form a "reactionary organisation." The official, also asking not to be named, added that Cambodia had only one party and government "so any organisation against us is a reactionary organisation" at a time when the country was wracked by civil war.

Radio Phnom Penh reported almost two weeks ago that plans from within the government to stage a "reactionary coup d'etat" between June and August had been thwarted and rejected overseas reports that it was cracking down on supporters of democracy. The announcement came about one month after six senior government members, including a minister, were placed under house arrest for reportedly trying to set up a clandestine political party.

In a separate move at least two prominent liberals, journalist Khieu Kanharith and Politburo member Men Sam-an, were shifted to other government jobs from their influential posts as editor of the weekly KAMPUCHEA and head of the ruling party's Organisation Commission.

The socialist diplomat said the government had only "limited the activities of these men," indicating that the problem was "not so serious." "We are in Cambodia, not Poland or Hungary....they have their own job and they want to do it according to the Cambodian way," he added.

However, an East European diplomat said he believed factions to the left and right of Premier Hun Sen's "pragmatist" leading group wanted more say in policy because they reckoned the government had made too many concessions in peace talks with the three-party resistance. He said the sacrifice of liberals seen as close to the premier was "part of the bill Hun Sen has to pay to the other two factions" for giving him a free hand in policy. He identified National Assembly Chairman Chea Sim as the head of a populist, nationalist, Buddhist group opposed to Vietnamisation and westernisation and President Heng Samrin as leader of a pro-Vietnamese faction and added that he believed Mr Hun Sen's policies had "created an internal deadlock."

Tie Banh at Siem Reap-Oddar Meanchey Ceremony

BK0307080190 Phnom Penh Domestic Service in Cambodian 1300 GMT 2 Jul 90

[Text] A ceremony was held at the party Political School of Siem Reap-Oddar Meanchey Province on the afternoon of 27 June to close the meeting to sum up the 1989-90 dry-season achievements and set targets for the 1990 rainy season. This ceremony was chaired by General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense.

For three days, participants attentively listened to reports summing up work results read by Comrade Leng Vi, deputy secretary of the provincial party committee and chairman of Siem Reap-Oddar Meanchey Province People's Committee. They were introduced to a number of units and individuals outstanding in national defense and reconstruction duties during the 1989-90 dry-season campaign.

Comrade General Tie Banh also decorated Comrade Long Sopheap, commander of the 4th Military Region, with a major general's insignia, and Comrade Major Ung Oeun, Armed Forces Political Department chief of Siem Reap-Oddar Meanchey Province, with a lieutenant colonel's insignia. He also decorated six comrades from the provincial military committee with a major's insignia and four others with a captain's insignia.

Afterward, Comrade General Tie Banh, Comrade Neou Sam [Siem Reap-Oddar Meanchey Province party committee secretary], and Comrade Major General Long Sopheap conferred "Victory" medals first class on eight units and 13 individuals, second class on 22 units and 61 individuals, and third class on 44 units and 85 individuals.

Addressing the closing session, Comrade General Tie Banh expressed high appreciation for the great achievements made by the cadres, combatants, and people of Siem Reap-Oddar Meanchey Province in their national defense and reconstruction duties. He recommended to all meeting participants to continue vigorously implementing all their tasks in order to realize new and greater successes for the motherland and people, especially to ensure that the genocidal Pol Pot regime will never return to Cambodia.

In conclusion, Comrade General Tie Banh distributed 4.1 million riels and other goods such as sarongs, scarves, radio receivers, and television sets to the meeting participants and four sets of radio relay network equipment to Kralanh, Angkor Chum, Siem Reap, and Srei Snam Districts.

Chea Sim Attends Celebration for Buddhist Abbot

BK0307061990 Phnom Penh Domestic Service in Cambodian 1300 GMT 2 Jul 90

[Text] Comrade Chea Sim, member of the Central Committee's Political Bureau and chairman of the National

Assembly and of the National Council of the Kampuchean United Front for National Construction and Defense, on 30 June attended a ceremony to celebrate the birth anniversary of Venerable Sum Chhum, abbot of Langka Monastery.

During this 76th birthday party of Venerable Sum Chhum of Langka Monastery, Comrade Chea Sim met and cordially chatted with many Buddhist monks and followers who came to attend the ceremony. He said that the party and government always paid close attention to helping the faithful promote Buddhism as well as other religions. He also recalled the time when religious belief was taboo and the crimes committed by the Pol Pot gang against Buddhist monks and the Cambodian people throughout the country during their more than three years' reign of terror.

Concerning the situation in the country, Comrade Chea Sim stressed that the party and government of the State of Cambodia continue to make goodwill efforts in the search for a political solution to the Cambodian problem in a bid to bring an end to the war and genuine peace to the Cambodian people. He also appealed to all Buddhists and monks to actively join the movement to defend and build the gains of national society and to help preserve and beautify monasteries and temples befitting places of worship.

Ros Chun Reportedly Replaces Editor of Paper

BK0307005590 Bangkok BANGKOK POST in English 3 Jul 90 p 6

[By Jacques Bekaert]

[Text] Director of the National Bank of Cambodia Ros Chhun will replace Khieu Kanharit as editor of the weekly KAMPUCHEA, according to reliable sources yesterday. Khieu Kanharit, who is also a member of the National Assembly, was sacked a few weeks ago.

Although KAMPUCHEA is the official organ of the National Front for the Construction and Defence of the Motherland, it became, under Khieu Kanharit, the most respected and widely read newspaper in Cambodia. KAMPUCHEA frequently denounced official corruption campaigned in the past in favour of liberal changes to the Constitution and its readers' column provided one of the few outlets for people's grievances.

Khieu Kanharit, the editor of KAMPUCHEA until the end of May, has been dismissed in what official sources in Phnom Penh claim is part of a "normal rotation of personnel". The editor told reporters in Phnom Penh he had been sacked because he was too liberal and Western-minded.

Ros Chhun, an alternate member of the Central Committee of the People's Revolutionary Party of Kampuchea, worked in the Foreign Ministry after the Vietnamese invasion of 1979 and was ambassador of the People's Republic of Kampuchea to East Germany until 1983. A source in Phnom Penh claimed the new editor is a nephew of Mr Chea Sim, chairman of the National Assembly and a senior member of the Politburo. He was deputy minister of planning in 1985 and joined the Central Committee as an alternate member in October 1985 during the 5th Congress of the ruling party. He was also secretary general of the Front. He is often described as a hardliner. Some sources say he lived for a while in Vietnam.

Ms Men Sam-an, the only woman on the Politburo, who was dismissed from her party positions a few weeks ago, has been appointed head of the Federation of the Trade Union, another source said.

Born in 1953 in Kratie, Men Sam-an, according to her official biography, joined the underground in 1970 but later opposed the Pol Pot group. After the January 1979 invasion she became chairwoman of the Defence Ministry then later president of the women's association. People who have worked with her describe her as a "good and generous person".

Her husband, identified by one source as Gen Pen Pat, was close to Pen Sovan, who was fired from the Politburo in 1981. According to some reports from Phnom Penh, Men Sam-an's husband was arrested recently as part of the purge against "reactionary elements" allegedly planning to establish a "Liberal Democratic Party" with the assistance of what Radio Phnom Penh recently called unidentified "foreign espionage circles".

Kompong Speu Villagers Moved to Refugee Camps

BK3006031090 Hong Kong AFP in English 0153 GMT 30 Jun 90

[By Leo Dobbs]

[Excerpt] Kompong Speu, Cambodia, June 30 (AFP)—Large numbers of villagers are being moved to refugee camps around this town, officially to escape fighting between Phnom Penh troops and the Khmer Rouge in Kompong Speu Province. Foreign aid workers in the Cambodian capital estimated that some 16,000 displaced persons were now housed in safer sites around the provincial seat, located 50 kilometres southwest of Phnom Penh.

Local officials and several refugees said the camp inhabitants had moved to escape areas vulnerable to Khmer Rouge attack, but others have said they were ordered to leave homes in the west, southwest and northwest of the province. Some analysts believe the government is moving the villagers in a bid to isolate the Khmer Rouge guerrillas.

A young refugee in Treng Trayeung camp, some 45 kilometres west of here, said Thursday [28 June] during a visit to the area that his commune to the north had never been threatened by the Khmer Rouge guerrillas who passed by his village every day.

A militiaman refugee in the makeshift but well-stocked, week-old camp of more than 1,000 people said the Khmer

Rouge outnumbered the local militia and had better equipment. He believed the villagers were brought to the camp because the government could not deploy enough troops in the area and to prevent the Khmer Rouge from press-ganging young men into their ranks. Some of the refugees reportedly had children fighting with the Khmer Rouge, although this could not be confirmed.

An aid worker who visited another refugee camp near here on an official visit last week claimed the government was clearing areas close to the Khmer Rouge mountain strongholds for tactical reasons. He said the refugees were "definitely not coming because of fighting," adding that he had gained this impression after talking to several refugees. "Take away the water to kill the fish," is how he described government tactics in a province where fighting has been fairly fierce since January.

Red Cross officials said as well that more than 50,000 people had been displaced in western border provinces where the heaviest fighting has taken place. An increase in the number of refugees in eastern Kompong Cham Province was also noted after heavy fighting erupted there in mid-June. [passage omitted]

Laos

Foreign Ministry Spokesman on Foreign Media Ban

BK3006031990 Bangkok BANGKOK POST in English 30 Jun 90 p 5

[Text] Vientiane recently banned Thai newspapers and prohibited its citizens from watching and listening to Thai radio and television programmes, saying they could cause confusion and affect the Laotian socialist ideology.

Foreign Ministry spokesman Somphong Faichampa said yesterday the Thai Embassy in Vientiane had reported that the central committee of the Laotian Communist Party ordered the ban some two months ago following the changes in Eastern Europe. The report also said the committee had stated the people should not listen to foreign radio broadcasts, watch foreign television programmes, or read foreign newspapers.

Mr Somphong said he did not think Vientiane had specified any particular country and said Thai-Laotian relations were still normal. The new Laotian Ambassador, Mr Bounkeut Sangsomsak, arrived in Bangkok yesterday to take up his new position, he said.

It is unlikely the ban was announced in retaliation for the alleged Thai support for Laotian rebel forces on the border, which reportedly flew a MiG-19 into Laotian territory to drop bombs last month as was stated by Supreme Command Information Director Lt Gen [Lieutenant General] Narudon Detpradiyut, an informed source said. [sentence as published] The source said the ban was more likely the result of the changes occurring in Eastern Europe and the Laotian Communist Party's fears that news reports from other countries could cause confusion.

The policy began with the Vietnamese Communist Party and was followed by Cambodia and now Laos, he said.

Workshop Held on Utilization of Foreign Funds

BK2806121890 Vientiane KPL in English 0919 GMT 28 Jun 90

[Text] Vientiane, June 28 (KPL)—A workshop on the utilization of funds from international organizations and friendly countries in the installation and expansion of post and telecommunication network (second phase) in the Lao People's Democratic Republic [LPDR] during 1991 to 1993, was organized here on June 25 by the Ministry of Communication, Transport, Post and Construction. [CTPC]

Attending the workshop were Mr. Bouathong and Mr. Thongsavat Paseut, CTPC minister and deputy minister, Miss Carroll Long, resident representative of UNDP [United Nations Development Programme] in Laos, Mr. Yuko Purata, head of the Japanese technical team, and other senior Lao officials.

The workshop is to discuss the capacity in the utilization of Laos and gratuitous aid funds from international organization of the post network (second phase) in the Lao PDR. In this connection, the Lao PDR during 1991-1993, will spend 41.4 million U.S. dollars for the purpose. This includes 24.5 million U.S. dollars worth of loans from the World Bank, 11.7 million dollar gratuitous fund from Japan, 1.2 million dollars fund from the UNDP, and four million dollars government's contribution.

This project focusses on the modernization and expansion of telephonic network in six provinces: Luang Prabang, Vientiane, Savannakhet, Khammouane, Borikhamsai and Champassak. Particularly [in] Vientiane prefecture, the post enterprise plans to have 13,000 telephone units.

Memorandum on Bridge Construction With Japan

BK2906104690 Vientiane KPL in English 0900 GMT 29 Jun 90

[Text] Vientiane, June 29 (KPL)—A memorandum on the second phase survey for the construction of a bridge at Tha Ngon, about 20 km northeast of Vientiane, was signed here on June 27, reports 'VIENTIANE MAI' newspaper today. The planned bridge, 120 metres long, seven metres wide with a sidewalk of 1.5 metres wide spans across Nam Ngum River. The signatories to the memorandum were Mr Khamla Sai-gnavongsa, deputy head of the service of communication, transport, post and construction of Vientiane prefecture, and Mr Kimio Shiba, head of the survey team and head of the consultant team on the Japan International Cooperation Agency (JICA). Following this bridge construction, JICA will continue different assistance projects in agriculture, irrigation, agricultural cooperatives, communication, transport, post and construction. So far, this Japanese organization has helped the Tha Ngon plain rehabilitation and Vientiane prefecture's bus service project.

UNHCR Funds for Refugee Settlement Noted

BK2806111690 Vientiane KPL in English 0928 GMT 28 Jun 90

[Text] Vientiane, June 28 (KPL)—The social welfare service of the northern Bokeo Province has utilized some five million kip worth of aid fund from the United Nations High Commissioner for Refugees (UNHCR) in handling the repatriates from Thailand.

The fund was spent on the construction of a barrack of the welcoming centre, the provision of rice seeds, road repair, irrigational construction and others in Ton Pheuang District. This is aimed to facilitate the repatriates' settlement.

Bokeo has welcomed eight batches of 506 Lao refugees from Thailand since 1984, released an official of the service.

This province's social welfare service, since 1989, has been granted 14.8 million kip from the UNHCR for the settlement of the refugees and the rural development.

Phoumi Vongvichit Sends Iran Sympathy Message

BK2806025690 Vientiane KPL in English 0923 GMT 27 Jun 90

[Text] Vientiane, June 27 (KPL)—Phoumi Vongvichit, acting president of the Lao PDR [People's Democratic Republic], on June 26 sent a message of sympathy to Mr. Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran.

The message said:

"I have learned with profound distress about the earthquake which occurred in the north and the west of Iran causing a heavy loss of lives and properties. In this difficult time, on behalf of the government and people of the Lao People's Democratic Republic and on my own, I would like to express my deep condolences and sympathy to the government and the people of Iran as well as to the families of the victims."

Philippines

Reportage on Reaction to Imelda Marcos' Aquittal

Aquino Expresses Disappointment

HK0307033590 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 3 Jul 90

[Statement by President Corazon Aquino on the U.S. jury's acquittal of Imelda Marcos as read by Press Secretary Tomas Gomez III—in English]

[Text] I am sorry to hear that the courageous efforts made by the American prosecution in the [word indistinct] case against Mrs. Marcos have not succeeded. I can only commend them for seeking to enforce their laws within their justice system. The acquittal does not alter the national interest and security grounds on which we have premised our decision not to allow the return of Mrs. Marcos at the present time. At the appropriate time, however, she will have to stand before our courts. We are disappointed but respect and accept the decision of the jury.

Salonga on Evidence Presented

HK0301014980 Manila Far East Broadcasting Company in Tagalog 0000 GMT 3 Jul 90

[Text] In an radio interview, Senate President Jovito Salonga said that even if racketeering did occur during the Marcos regime, maybe it was only the late President Marcos who was guilty of the offense and not Imelda. This was Salonga's reaction to the acquittal of former first lady Imelda Marcos. According to Salonga, if Mrs. Marcos was somewhat involved in the charges, maybe what the American jury tried to convey was that Imelda should be tried in the Philippines and not in New York. Salonga added that there may not have been enough evidence presented in the U.S. because there were only two witnesses who maintained that most of the offenses occurred in the United States and not in the Philippines. He said that the failure of some people to testify for the prosecution may have also affected the trial.

Congressmen Comment on U.S. Peace Corps Recall

HK0307044190 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 3 Jul 90

[Text] In relation to the pullout of the U.S. Peace Corps volunteers, it is believed that the U.S. decision to recall its Peace Corps was a tactic used by the U.S. Government in order to influence the forthcoming talks on its bases in the country. They also denied reports that the New People's Army had threatened the lives of the Peace Corps volunteers. Congressman Bonifacio Gillego said America has no other purpose but one which is related to the bases. Congressman Miguel Romero, on the other hand, said the decision will hurt the U.S. and not the Filipinos.

Pro-Bases Advocates Demand Retention of Bases

HK0207105590 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 2 Jul 90

[From the "GMA News" program]

[Text] Pro-bases advocates demanded the retention of U.S. military facilities in the country during a multisectoral rally attended by 2,000 persons at Liwasang Bonifacio yesterday. The demonstrators claimed that a disorderly withdrawal of U.S. bases at this time will worsen the country's problems. They also issued a manifesto declaring their support for the negotiation of a new bases treaty on the basis of economic, political, and security reasons.

Coordination Ordered in Search for Kuwaitis

HK2806014190 Manila Far East Broadcasting Company in Tagalog 0000 GMT 28 Jun 90

[Text] Military agencies are now coordinating with each other to find a missing Kuwaiti prince and his 12 year old child who were kidnapped in Manila last year.

Defense Secretary Fidel Ramos ordered Philippine Constabulary-Integrated National Police chief Major General Cesar Nazareno to give support to the search for the missing royal family members and hunt down their kidnappers. Reports said that two Palestinians named Amad Yussuf and Ibrahim Suadan were suspected of having carried out the crime for political reasons. However, Palestine officials in Manila denied any knowledge about the kidnapping of the two Kuwaiti royalties.

Probe Into Fake Passport Syndicate Ordered

HK2706104190 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 27 Jun 90

[Text] Foreign Affairs Secretary Raul Manglapus today ordered an investigation into a syndicate believed to be responsible for issuing two passports for every Filipino. The syndicate allegedly is comprised of foreign affairs consular services employees. This report from Anna Soriano:

[Begin recording] The existence of the syndicate was discovered when 10 Filipinos boarding a Pakistan International Airlines [PIA] plane were found in possession of two passports.

Following Manglapus' order, Eduard Buenaflor, chief of the Foreign Affairs passport division, sent an investigator to the Bureau of Immigration and Deportation where the general manager of PIA Jawad Pokar was detained. The PIA ground stewardess was about to issue the 10 Filipinos their passports when she was arrested. She, in turn, implicated Pokar. The passports bore fake departure stamps to enable the Filipinos to enter Kuwait. [end recording]

NPA Plan Said Based on 'Sandinista Experience'

HK0307031590 Manila THE MANILA CHRONICLE in English 3 Jul 90 p 6

[By staff member Manny Mogato]

[Text] Communist rebels have allegedly set a three- to five-year timetable to takeover the seat of government through a violent and bloody "urban insurrection patterned after the Sandinista experience in Nicaragua," the military disclosed yesterday.

"The paralysis gripping the civilian government since the last coup attempt favors the insurgents' current strategy," a military assessment said.

A copy of the classified assessment report, entitled "An update on the NPA's [New People's Army] urban partisan warfare," was obtained by the CHRONICLE from military sources in Camp Aguinaldo. The four-page document explained why the rebels were stepping up their urban guerilla warfare and at the same time wooing factory and other industrial workers to join the underground communist movement.

A separate document identified specific government and private businesses being targetted for rebel infiltration. The document said the "series of coup attempts in the seat of power has opened new windows of opportunity which the rebels have taken advantage of."

"If the (political) situation persists in the run up to the elections in 1992, the insurgents can make a major comeback as politicians of various hues and will try to strike a deal with the radical Left to advance their individual ambitions."

The shift in the rebels' urban warfare started in late 1987 but constant debate among communist leaders on the proper strategy in overthrowing the government had set back the plan. But the series of Sparrow assassinations, the use of sophisticated high-powered weapons and larger vehicles had indicated the resurgence of the rebels' urban guerrilla warfare in Metro Manila and in other population centers in the country.

The military gave four reasons for the resurgence of urban warfare in Metro Manila, apart from the propaganda mileage. They are: strengthen their hold on community, schools, factories under their control by eliminating perceived obstacles; exact retribution on those who have caused serious damage to their organization like intelligence agents; tie down as many forces as possible in Metro Manila to relieve the pressure in the countryside, and exacerbate the conflict among factions of the political elite.

Mizuno's Kidnappers Contact Negotiating Panel

HK3006092190 Manila THE MANILA CHRONICLE in English 30 Jun 90 p 10

[Text] Bacolod City—Communist rebels have expressed willingness to negotiate the release of a Japanese aid worker kidnapped in the central Philippines one month ago, a government negotiator said yesterday. Andres Hagad, a lawyer and spokesman of the government negotiating panel, said "an authentic emissary" of the New People's Army, which kidnapped Fumio Mizuno on May 29, had "established contact and signified their intention to negotiate the release of Mizuno." Hagad refused to give details about the talks, saying this might jeopardize the negotiations.

Hagad said the last contact with Mizuno's abductors came Thursday by two-way radio. He said the rebels are again expected to contact the panel in a few days to start the negotiations. "We can expect more information in the coming days," Hagad said. "Hopefully, this contact will ripen into the release of Mizuno."

Mizuno, training director of the Tokyo-based Organization for Industrial, Spiritual and Cultural Advancement, was taken by suspected insurgents while visiting a silkworm farm in the Negros Island town of Murcia, just southeast of Bacolod.

The military had suspended rescue operations because it would endanger the life of Mizuno.

Public Warned of Communist-Made 'Fake' Money

HK2906020790 Manila Far East Broadcasting Company in Tagalog 0000 GMT 29 Jun 90

[Text] The military warned the public today of fake U.S. dollar bills made and being used by the Communist Party of the Philippines [CPP].

Brigadier General Lamberto Saavedra, Armed Forces of the Philippines civil relations service chief, issued the warning after 15 $100 bills were confiscated from suspected CPP leader Antonio Cabardo when he was arrested at the Ninoy Aquino International Airport.

Jovito Guttierez, chief of the (cash) and currency branch of the Philippine Constabulary crime laboratory, said that the random serial numbers on the counterfeit dollars were an indication that a large number of fake bills may have been made and could be in circulation now.

According to documents seized from Cabardo upon his return from Europe, the CPP had been counterfeiting U.S. dollars to support its declining funds. Evidences against the suspected CPP leader will be presented at the Pasay City regional trial court next Monday [2 July].

Saavedra added that the CPP's counterfeiting operations may also be aimed at sabotaging the country's economy.

Arrival of NPA Leader Alerts Military Troops

HK0207043190 Manila MANILA BULLETIN in English 2 Jul 90 pp 1, 18

[Text] Military authorities alerted troops in Metro Manila yesterday following reports that a key leader of the New People's Army (NPA) in Quezon is in Manila to supervise ambush operations by 120 newly deployed hit men in the metropolis.

This developed as captured documents from communist rebels revealed that the Communist Party of the Philippines (CPP) and its military arm, the NPA, had mapped out a two-year "revolutionary program" from January, 1990 to December, 1991 to carry out a nine-point agenda.

The CPP'S program of action included the launching of a nationally-coordinated military campaign, annihilation operations by NPA fighting forces, mobilization of local guerrilla units to protect communist-held territories, and dismantling of the Citizens Armed Force Geographical Unit (CAFGU). The program also aims to sabotage the Armed Forces and U.S. military installations in the country and weaken the political control of the government.

Col. [Colonel] Reynaldo Wycoco, Quezon PC-INP [Philippine Constabulary-Integrated National Police] chief, said new members of the NPA liquidation squad called "Sparrow Unit" have arrived in Manila to carry out violent attacks against lawmen and other targets of the Alex Boncayao Brigade (ABB). The ABB is the main "Sparrow" unit operating in Metro Manila under the supervision of the Metro Manila-Rizal Party Commission of the CPP-NPA.

Wycoco said he has received intelligence reports saying Leopoldo Mabilangan, alias "Ka [Comrade] Hector" had been pulled out by top CPP leaders from Quezon "to perform special missions in Manila." Mabilangan is head of the Melito Glor Command of the NPA in Quezon. Wycoco said Mabilangan was assigned in Manila to step up operations by the "sparrows" in the metropolis and lead newly trained "Sparrows" from Bicol, Samar, Leyte, and Mindanao.

He said his unit is also checking reports whether the deployment of 120 "Sparrows" in Manila is linked to the recent pronouncement by the NPA that it would avenge the death of two unarmed mourners killed during a funeral march for a slain member of the ABB. In a statement after the incident, the ABB condemned the military for its "utter disregard of the traditional respect the Filipinos accord their dead." Defense and military officials, however, said they are prepared to meet any communist threat.

In the past six months, at least 29 military and police officers and civilians were killed in Metro Manila by the "Sparrows," military records showed. During the same period, "Sparrows" also killed 133 military and police officers, including CAFGU members, in operations outside Metro Manila.

Suspected Rebels Identified as ABB Members

HK3006030090 Manila Far East Broadcasting Company in Tagalog 0000 GMT 30 Jun 90

[Text] Several witnesses have positively identified as regular members of the Alex Boncayao Brigade five of the 21 suspected ABB members who were arrested by the Capital Command operatives in a funeral march yesterday. The ABB is the urban terrorist arm of the New People's Army. Those positively identified by witnesses were Rey Comota, an employee of the Philippine Promotion of Church People's Rights; Ruperto Ramos Jr., a Polytechnic University of the Philippines student; Benedict Alvaro; Juanito Ileto; and German Daugdog. Three of the five ABB members are believed responsible for the killing of Philippine Constabulary deputy chief of personnel Colonel Reynaldo Dinio on 23 May along Epifanio de los Santos Avenue.

Meanwhile, the ABB vowed to avenge the military attack on the funeral which resulted in the killing of two persons.

Policemen Said Ready for ABB Reprisal

HK0207042990 Manila MANILA BULLETIN in English 2 Jul 90 p 18

[By Victor Vega]

[Text] Officials of the Western Police District (WPD) and the PC Capital Regional Command (Capcom) said yesterday their men are ready for any attack by armed city partisans of the New People's Army (NPA) following the deaths of two mourners in a violent attack on a funeral for a slain rebel last week. At least one male caller had threatened several police stations and Capcom headquarters, claiming he was an NPA partisan from the Alex Boncayao Brigade (ABB).

Policemen at Station No. 3 who received the first warning also denied the allegations of the ABB that they were among masked men who ambushed the funeral procession for Benjamin Tabuena near the La Loma Cemetery gate Thursday afternoon.

The anonymous caller blamed policemen of Precinct No. 3 and Capcom soldiers for the Thursday funeral violence which resulted in the deaths of two mourners, Jose Coquia, 34, of Letre, Malabon, and Gilberto Lopez, 24, of Omart Road, Baesa, Quezon City.

WPD superintendent Col. [Colonel] Ernesto Diokno said the more than 3,000 Manila policemen are ready to face any reprisal from the ABB. Diokno said WPD intelligence agents are now closely monitoring the movements of suspected rebels.

Brig. Gen. [Brigadier General] Marino Filart, Capcom chief and director of the Metropolitan Police Force (MPF), earlier said that the Capcom will treat the ABB threat with prudence and preparedness

Thailand

Chatchai Meets UK Trade Minister, U.S. Envoy

BK0307092290 Bangkok Domestic Service in English 0000 GMT 3 Jul 90

[Text] Prime Minister Chatchai Chunhawan will visit the United Kingdom around the end of this year to discuss trade and investment with his British counterpart Margaret Thatcher. General Chatchai yesterday told visiting British Minister for Trade and Industry Lord Trefgarne, who called on him at government house, that he had agreed in principle to the planned visit. Government Spokesman Suwit Yotmani said General Chatchai and the British minister noted in the talks increased trade between the two countries which rose by 900 million pounds last year. The spokesman quoted the British minister as saying that Britain is interested in engaging in joint ventures in the telecommunications field with Thai firms. The minister also confirmed the British support to the green northeast project.

Prior to the meeting with the British minister, General Chatchai also received the U.S. ambassador to Thailand who came to reaffirm the U.S. readiness to support narcotics suppression and other economic measures of the Thai Government. The prime minister also informed the envoy of Thailand's decision to host the Asia-Pacific Economic Cooperation meeting in 1992.

Discussion Continues on Cambodian Solution

Chatchai's Advisers Cited

BK0307010590 Bangkok BANGKOK POST in English 3 Jul 90 pp 1, 3

[Text] Prime Minister Chatchai Chunhawan's policy adivers yesterday called on the permanent five members of the United Nations Security Council to expand on the agreement signed by Prince Norodom Sihanouk and Phnom Penh Premier Hun Sen in Tokyo.

Advisers Phansak Winyarat and Kraisak Chunhawan said it would be useless to hold another meeting of the four Cambodian factions in Bangkok unless there is a basis for such talks. They said that disagreements on basic positions within the UN Security Council—which is due to meet July 16-17 in Paris—and the Khmer resistance need to be cleared up.

"The permanent five have to take the responsibility to work on the basis of the Tokyo meeting. They need to work on it, expand it," Mr Phansak said. He said the permanent five should "synchronise" the results of the Tokyo meeting with the Security Council's resolutions on Cambodia. Japan, which is not a member of the UN Security Council, "has worked hard to produce an incremental step. The permanent five need to do some work," he said.

In a joint communique issued after their meeting in Tokyo in early June, Prince Sihanouk and Mr Hun Sen agreed to voluntary military self-restraint. They agreed that a ceasefire can be realised through the "cessation of hostilities and the agreement on the creation of a Supreme National Council [SNC]." Prince Sihanouk and Mr Hun Sen also agreed that military self-restraint would be implemented at the first meeting of the SNC, which would be convened by the end of this month.

The joint communique also took note of the result of the May 26 UN Security Council meeting on Cambodia and called for the reconvening of the Paris Conference on Cambodia.

Khmer Rouge leader Khieu Samphan boycotted the Tokyo meeting, saying that additions had been made to the original document, and refused to submit the names of its members to the SNC. The Khmer Rouge oppose linking the cessation of hostilities to the formation of the SNC, which was to comprise of six members from the Phnom Penh government and six from the resistance (two from each faction).

Sihanoukist leaders have been critical of additions made to original documents signed by each faction leader with former deputy prime minister and defence minister Gen Chawalit Yonchaiyut.

While France and the United States advocate an enhanced role for the United Nations in a resolution of the Cambodian conflict, the Chinese are for a strong SNC.

"If a strong SNC is the key then this contradicts the enhanced role," Mr Phansak said, adding that the permanent five need to agree on which principle to adopt. Mr Phansak added that each time technical details of the Cambodian resolution are "mixed" with political principles, disagreement results. "Each time you go into details there is disagreement," he said, adding that Thailand still believes in a comprehensive political settlement.

He said the Security Council, and even the China-Vietnam talks, had failed to reach an agreement because of details, instead of focussing on the principles of a ceasefire, the SNC and the role of the UN. "In the end they end up fighting among themselves and then say: 'Let the Cambodians decide for themselves,'" Mr Phansak added.

The advisers said the Cambodian resistance needs to come up with a clearer position.

Nationalist leader Son Sann had called on Gen Chawalit recently to organise a technical meeting of the four factions.

On Sunday, the Khmer Rouge repeated their demand for a four-faction, power-sharing formula for the SNC and every level of the Cambodian administration.

The advisers said that since the Cambodian conflict had began over a decade ago, there have been three documents signed by the Cambodians—the joint communique between Prince Sihanouk and Hun Sen in Bangkok, the "records of discussion" of each Cambodian faction with Gen Chawalit and the Tokyo joint communique. "But they have not honoured any," Mr Kraisak said. "How many meetings should we have if they (the Cambodians) can't agree to implement anything?"

Mr Phansak said the three Khmer resistance factions should agree first among themselves, for instance, on Prince Sihanouk's nine-point proposal, to form the basis for further talks. "Without a basis, further talks are useless," Mr Phansak said. "The Khmer Rouge called for equal power-sharing. This means they reject Sihanouk's proposal. Or are they the spokesman for the resistance?" he asked.

Mr Kraisak added that the resistance has not discussed details with the Thai Government, but is "pressing to host a meeting." "I think this is the most unfair practice I have ever witnessed anywhere in the world," he said.

The advisers said that countries such as France and Japan have asked Thailand what the next step should be in the Cambodian peace process. Mr Kraisak said the Cambodians should convene the SNC and thrash out differences in principle. Mr Phansak said there is a need to deal with the Cambodians as a unit, namely in the SNC. He said the Tokyo communique "was an expression of political will" and a "half-way measure" which must be worked on.

Khieu Samphan Meets Chawalit

BK0307131990 Bangkok Army Television Channel 5 in Thai 1230 GMT 3 Jul 90

[Text] Khieu Samphan, leader of the Khmer Rouge, one of the three Cambodian factions recognized by the Thai Government, called on General Chawalit Yongchaiyut this morning to discuss the Cambodian problem. Our correspondent Chariya Prakop reports from Gen. Chawalit's residence:

[Begin recording] [Chariya] At Suan Phuttan this morning, Khmer Rouge leader Khieu Samphan and Son Sen, commander in chief of the National Army of Democratic Kampuchea, called on Gen. Chawalit Yongchaiyut, special adviser to the Army and the Supreme Command, to discuss the Cambodian problem. Khmer Serei leader Son Sann had called on Gen. Chawalit earlier last week on the same problem.

Supreme Commander Gen. Sunthon Khongsomphong arrived at Gen. Chawalit's residence during the meeting between Gen. Chawalit and Khieu Samphan. Gen. Charuai Wongsayan arrived at the residence later as newsmen were waiting outside.

Emerging from the 40-minute meeting, Khieu Samphan talked to newsmen through an interpreter, saying he called on Gen. Chawalit to seek a solution to the Cambodian problem because the latter has worked on the Cambodian problem for 12 years. He was grateful for the king's kindness and thanked the Thai Government and people for allowing the Cambodian people to take refuge in Thailand. He thanked the ASEAN and other countries for upholding the just principle of allowing the Cambodian people to decide their future and that of their country.

Khieu Samphan, however, did not say anything about wanting Thailand to organize a meeting of the four Cambodian factions on Thai territory.

[Khieu Samphan in Cambodian fading into Thai translation] We are here to discuss ways to solve the Cambodian problem as soon as possible. We are confident that his majesty the king's government, the Thai people, the ASEAN countries, and countries in the free world will support our supreme goal of bringing independence to our country and the right to self-determination to our people.

[Unidentified Thai newsman] Do you think there will be a meeting of the four Cambodian factions in Thailand before the Paris meeting?

[Khieu Samphan in Cambodian followed by Thai translation] Sorry, I cannot say anything at this time.

[Unidentified Thai newsman] Did you discuss this topic with Gen. Chawalit?

[Khieu Samphan in Cambodian followed by Thai translation] Sorry, I cannot say anything. [end recording]

Chawalit Role Urged

OW2906125490 Tokyo KYODO in English 1149 GMT 29 Jun 90

[Text] Bangkok, June 29 KYODO—Former Thai Deputy Prime Minister and Defence Minister Gen. [General] Chawalit Yongchaiyut said Friday there is an urgent need to arrange a meeting among the four warring Cambodian factions. Chawalit hinted that Bangkok might be the venue for the session.

Chawalit, a key figure behind the June 5 Tokyo communique on Cambodian peace, said he was urged by various Cambodian leaders to help arrange such a meeting prior to the next session of the United Nations Security Council's five permanent members, scheduled for early July in Paris. Chawalit also said that he has received a letter from Phnom Penh government Premier Hun Sen urging him to push for the convening of a supreme national council (SNC), an interim reconciliation body.

Another source said Chawalit has also received a letter from Vietnamese Foreign Minister Nguyen Co Thach urging him to continue contributing to Cambodian peace efforts even without official title.

Chawalit resigned from his governmental posts right after the Tokyo Cambodian talks for nonrelated domestic reasons.

Chawalit also revealed that Khmer Rouge leader Khieu Samphan, who boycotted the Tokyo communique, would call on him on Monday.

He said that he would try his best to keep on contributing to the Cambodian peace process as a personal adviser to Thai Prime Minister Chatchai Chunhawan and will consult with all authorities concerned on arrangements for a meeting of the four Cambodian factions.

Suchinda Supports Talks

BK0207162390 Bangkok Army Television Channel 5 in Thai 1230 GMT 2 Jul 90

[Report on interview with Suchinda Khraprayun, Army commander in chief, by unidentified correspondents on 2 July; place not given—portions recorded]

[Text] Army Commander General Suchinda Khraprayun expressed support for holding a meeting of the four Cambodian factions in Thailand and gave assurances that everyone wants to see peace return to Cambodia. He said Khmer Serei leader Son Sann recently called on General Chawalit Yongchaiyut, special adviser to the Internal Peace-Keeping Command, the Supreme Command, the Army, the Navy, and the Air Force, to organize the talks because he wanted a neutral individual for coordination purposes.

[Begin recording] [Suchinda, in progress] ...No, Chawalit did not do anything. What happened was merely that Son Sann asked him to act as middleman to coordinate with the other factions, because Gen. Chawalit is familiar with all four Cambodian factions.

[Correspondent] Gen. Chawalit does not hold any post now. How does he plan to carry out this responsibility?
[Suchinda] I don't know. It is up to the government to assign someone to take care of the matter.

[Correspondent] The way the situation is now, do you think the meeting will succeed?
[Suchinda] Success will eventually come some day.

[Correspondent] Considerable differences in views still exist.
[Suchinda] Oh?

[Correspondent] The Indonesian foreign minister warns that Cambodia could become a Lebanon.
[Suchinda] It is nearly in that condition now. The difference is that the fighting has not reached the cities. [end recording]

Referring to the Office of the Auditor General's wanting to participate in the inspection of weapons purchased from abroad, the Army commander said he has rejected the proposal because of national security considerations, adding that the Army fully intends to carry out its responsibilities in that regard.

Officials To Consider Burmese Students' Demands

BK0307100890 Hong Kong AFP in English 0929 GMT 3 Jul 90

[Text] Bangkok, July 3 (AFP)—Thai immigration officials have agreed to consider the demands of 29 Burmese students, being held as illegal immigrants, who went on hunger strike here Tuesday [3 Jul]. The students were demanding immediate repatriation to Burma and for Thai authorities to stop arresting students recognized as refugees by the United Nations High Commissioner for Refugees (UNHCR).

A senior immigration official said the two demands would be given prompt consideration and that medical staff had been alerted to treat the hunger strikers, if necessary. But the official said major problems were posed by the students' insistence that they be released into Burma at the Suan Phung border point in Rat Buri Province. "The students refused to be repatriated through designated borders, like Ranong, for example, so we did not force them to go. But we can't sent them to Rat Buri or they will come back," he said.

The official said the immigration border checkpoint in Rat Buri was more than two kilometers (miles) from the border, making it easy for the students to return. But the students said they feel the Burma side of the border in that area would be a safe place for them to return.

The 29, part of a group of 34 detained students, began their strike at 9:00 A.M. (0200 GMT) in a 50-by-20-foot detention room packed with 53 other detainees. Hanging on a wall was a banner reading: "We are holding a peaceful hunger strike. Do not try to settle by force."

Tha Kyaw Maung, 21, the hunger striker's representative, told a reporter through the cell bars that the students, one of whom was four months pregnant, had been detained for too long without adequate reason. "Our basic human rights are being violated," said Mr. Tha Kyaw Maung. He said the students would continue the strike until their demands were met and had threatened to slash their arms within two days if no solution were found. Most of the students claim to have been held in the detention center for nearly four months.

"We fled to Thailand because we think this country is a democratic country and will protect us, we who have been fighting for democracy," said Mr. Tha Kyaw Maung, a sophomore majoring in physics at Rangoon Arts and Sciences University. "But now I feel humiliated and disappointed. We are holding a hunger strike because we want to be free. We fled the country because we were oppressed by the military government," he said.

Like hundreds of other Burmese students, Mr. Tha Kyaw Maung, who has been in Thailand since October, fled his country after the military government took power in a bloody September 1988 coup to crush a nationwide pro-democracy movement.

Further on Investigation of 1 Feb Saudi Murders

BK2906032390 Bangkok THE NATION in English 29 Jun 90 p 2

[Text] A senior police commander said yesterday that the three foreigners arrested with a huge arms cache in Ratburana district [of Bangkok] on Tuesday have connections with radical Shiite Muslims in Thailand. The Bangladesh Embassy, meanwhile, denied that the three are Bangladeshis as earlier claimed by police.

Central Investigation Bureau Deputy Commissioner Police Major General Chalo Koetthet said police found in the pockets of the suspects pictures of a Thai Shiite Muslim leader known as, Yutthaphum or Mamusfa, 45, who was among those who led a violent demonstration in Pattani province early this month. Yutthaphum is one of the radical Shiite Muslim leaders whom police wanted for allegedly instigating unrest during the rally in which a provincial police commander was beaten by the crowds, said Chalo.

Police arrested three foreigners at a rented house in Ratburana late Tuesday night and seized from them 45 automatic rifles and many other war weapons after a brief gunfight. Pictures of Muslim spiritual leaders were also seized during the raid. One suspect escaped before police entered the house. Police officers heading the raid then said the three were Bangladesh Nationals. Interior Minister Banhan Sinlapa-acha and Chalo said the suspects might have been involved in the murders of three Saudi Embassy envoys on Feb 1.

One of the suspects who could speak Thai claimed he and his friends intended to send the weapons to support Burmese students in fighting the Rangoon regime. But vice chairman of the All Burma Students' Democratic Front, Naing Aung, told THE NATION yesterday that Burmese students have no connection with the three and never received weapons from them.

The Bangladesh Embassy said in its written statement yesterday that none of the three suspects was a Bangladesh national. The statement said embassy officials had interviewed one of the arrested men in the presence of a police officer and he confessed that he was a Burmese national and the Bangladesh passport he held was fraudulently obtained. The suspect's real name was Hossian and he used the fake name of Abdul Jalil Miah in the passport, according to the statement. It added that Hossian said two more Bangladesh passports whose holders were not arrested during the police raid were also fraudulently obtained. "The two other suspects arrested during the raid are also not Bangladesh nationals and do not possess any Bangladesh passport," said the statement.

In a related move yesterday, Saudi police and embassy officials met Pol Maj Gen Chalo at the Central Investigation Bureau headquarters to ask for details of the arms seizure and the suspects' possible involvement in the murders of the Saudi Embassy officials. Chalo told reporters after meeting with the Saudi officials that police still could not confirm whether the gang was involved in the Feb 1 murders.

Papers Comment on Arrests

BK3006100090

[Editorial Report] The 30 June issues of THAI RAT and MATICHON carry editorials on implications of the 26 June seizure of weapons and arrest of three foreign Muslims in Bangkok.

The 450-word THAI RAT editorial, on page 3, entitled: "Terrorism in Thailand," says the 26 June incident has "national security implications and we must be more vigilant than ever before." The editorial continues: "What the police and the government do not want to disclose is that fanatical Shi'ites have formed an organized group and that the unrest in the southern border provinces and this group's activities in Bangkok are somehow linked. The captured evidence shows that the group was acting as the weapon supply center."

The editorial adds: "There are indications that a Muslim political party in northern Malaysia is supporting a secessionist movement in the southern Thai border provinces" and, noting that the 26 June arrestees carried Bangladeshi passports, the editorial warns, it could be that the party is using people other than Thais and Malaysians to carry out its objective.

MATICHON publishes on page 8 a 550-word editorial entitled: "Uproot the Terrorist Movement." The editorial says that the investigation by the police and agencies concerned indicates that the two separate murders of Saudi diplomats in Bangkok, the demonstration by religious fanatics in Pattani Province, and the 26 June arrest of foreigners and weapons in Bangkok amount to "international terrorism activities which have spread increasingly to Thailand and the neighboring countries. A senior police official has stated that those incidents clearly indicate that many foreign elements are openly and secretly operating in Thailand to the detriment of Thai security and people."

Continuing, the editorial says: "Thailand, a Buddhist country where people of many religions cherish peace, is being used as a field to wage the conflict among international terrorism movements that stems from their different religious beliefs. The government agencies concerned cannot ignore this problem and must use all their resources to prevent any future acts of international terrorism in Thailand."

Saudis Express Thanks

BK2706141590 Bangkok Voice of Free Asia in Thai 1030 GMT 27 Jun 90

[Text] After a number of gunmen shot dead Saudi Arabian Embassy officials in front of their residence in Bangkok several months ago, Thai police officers conducted an investigation and later arrested a suspected gunman. A state prosecutor has already filed a lawsuit against the suspect.

A report from the Thai Foreign Ministry states that the Saudi Arabian Foreign Ministry sent a statement through the permanent secretary of the Thai Foreign Ministry to the Thai prime minister. The statement says that on 10 June, Thai Ambassador to Riyadh Likhasit Pansomchit called on the director of the Asian Affairs Department of the Saudi Foreign Ministry to receive a congratulatory statement expressing Saudi Arabia's admiration for efforts carried out by the Thai Government in the investigation of the murder of the Saudi Embassy officials. The Thai police investigation and operation were headed by Police Major Thanu Homhuan, deputy Metropolitan Police commissioner, and Police Major Thawi Thippharat, Southern Bangkok Metropolitan Police commander.

After the statement was issued, officials of the embassies of Singapore, Australia, and Japan in Saudi Arabia expressed congratulations on the improvement in Thai-Saudi relations. The statement shows that Thai-Saudi relations have gradually improved, and that Saudi Arabia has appreciated the Thai Government's great efforts in investigating the case until a suspect was arrested soon after the murder.

Paper Protests New Zealand Visa Restrictions

BK2906021790 Bangkok THE NATION in English 29 Jun 90 p 8

[Editorial: "A Slap on Thailand's Face"]

[Text] The minister of immigration of New Zealand will on Monday ask the Cabinet there to re-introduce visas for visitors from Thailand. The minister's justification is that many Thais entering the country on the easily obtained visitors' permits have turned out to be prostitutes or drug smugglers. The minister therefore hopes to stop the flow of "undesirables" from Thailand with new visa restrictions.

The move in itself is not unusual—though we strongly doubt it is the right one. Thailand is also in the process of reimposing visa restrictions on visitors from Nigeria and a few other African countries which have citizens who are regularly caught trying to smuggle drugs out of Thailand. But Thai officials at least have the decency to not single out any particular country for discriminatory treatment.

The New Zealand minister, however, did just that—singling out Thailand as the source of drugs, prostitutes, and the Aids virus in the down under country. This is a slap to Thailand's face. It is a blanket accusation which is very unfair to Thai people in general and to law-abiding Thais living in New Zealand in particular.

Reimposing visa restrictions will not stop some desperate Thais from trying to cash in on New Zealand's prostitution and drug market. Japan and West Germany, for example, have very strict visa regulations yet they cannot keep out foreign prostitutes and drug smugglers, who have numerous surreptitious means of beating visa screning systems.

Instead of taking unilateral action, like reimposing visas, and hurting good Thai-New Zealand relations, the New Zealand minister should come up with positive measures for cooperation between the two friendly countries. Thailand certainly recognizes the fact that prostitution and drug trafficking are serious problems and will not—and must not—shrink from doing everything it can to stop the "undesirables." Therefore we hope the New Zealand Cabinet will not make a hasty decision that could be seen as an insult to Thailand. Let's work together to solve these problems without hurting each other's feelings.

Suchinda Refuses To Allow Examination of Arms

BK0207020190 Bangkok THE NATION in English 2 Jul 90 p 3

[By Thawisak Siphan]

[Excerpt] The Army will not allow the Office of the Auditor-General of Thailand to examine arms supplies procured at a "friendship price" from China, army chief Gen [General] Suchinda Khraprayun said yesterday.

Suchinda was confirming reports that the Defence Minister will propose on Tuesday [3 July] that the Cabinet allow the arms shipment, which is expected to arrive soon, to be exempted from scrutiny by the auditor-general's office for "security reasons."

The proposal drew prompt protest from the office, which reportedly said it was against normal practice and that the government could end up with out-of-date weaponry if the shipment was not scrutinized according to regulations. The auditing office said in recent investigations it had found that some ammunition bought from China was no longer truly effective because it had passed its expiration date. The army, however, argued that the ammunition was bought at a low price for use in training.

The office argued that it had a right to review the new arms shipment as it had been purchased out of the government budget's central fund. But Suchinda said yesterday the Chinese arms were purchased out of a military "secret fund" so the office had nothing to do with the procurement. He said procurement was also made on a government-to-government basis so the office should not be worried that Beijing would supply out-of-date or expired arms to Thailand.

He admitted that some of the shipment was used supplies but added that the army was fully aware of this before it made the purchase. He said the army could not disclose details of the arms procurement even to the auditing office because it concerned national security.

Military sources said that Beijing did not want news of the arms shipment to be released for fear that it would affect its relations with some of its allies. [passage omitted]

Suchinda Warns of 'Hi-Tech' Security Threat

BK2806022790 Bangkok THE NATION in English 28 Jun 90 p 3

[Text] The security situation in the capital is not as normal now as before judging from a statement by army chief Gen [General] Suchinda Khraprayun to a police force of the Capital Security Command [CSG] yesterday.

Suchinda, speaking in his capacity as capital security commander at the police force at the Bangkhen School of Private Police, warned that a group of ill-intentioned people may exploit the "complicated political, economic and social situation to cause unrest with the aid of hi-tech equipment". He urged the police troops to be on alert and react promptly to any unexpected untoward incidents. But he did not identify the group.

Suchinda said he will boost the capacity of the CSC in all aspects, including the morale of the rank and file, their personnel strength and their equipment. The army chief will visit the Air Security force which is also under the CSC at the Don Muang military base today and inspect the combat readiness of a naval force on July 2. He is exofficio capital security commander who is empowered to mobilize army, navy, air force and police troops to maintain peace and order in Bangkok and the outlying provinces.

The CSC was scaled down when Gen Chawalit Yongchaiyut was army commnader-in-chief and acting supreme commander but the inspection tour embarked upon by his successor was seen as a sign that the task force was being reinvigorated.

In his welcoming speech, Police Director General Pol Gen [Police General] Sawaeng Therasawat in his capacity as chief of the CSC's police force said that Suchinda's visit had boosted the morale of the police force. He said the Police Department was aware that the peace-keeping mission was a heavy responsibility, it made for high morale knowing that the army, the navy and the air force were standing by its side. The police force was also aware of strong support from the CSC, he said.

Suchinda Denies Backing of New Political Party

BK0107091590 Bangkok THE NATION in English 1 Jul 90 p 3

[Text] Army chief Gen [General] Suchinda Khraprayun yesterday denied speculations that the army under his leadership will back a political party which will reportedly be formed by five retired military officers. He was commenting on a statement by Gen Sanan Sawetserani, one of the five retired officers, that former army chief Gen Chawalit Yongchaiyut and four other retired officers may form a political party which will advocate a liberal democratic system in which the executive, the legislative and the juridical branches will check and balance each other.

Sanan was secretary to the defence minister when Premier Chatchai Chunhawan first held that post. The other three retired officers were identified as former army chief-of-staff Gen Charuai Wongsayan, former deputy supreme commander Gen Phat Akkhanibut and former PM's [Prime Minister's] secretary general Gen Panya Singsakda. All of them belong to Chunlachomklao Military Academy Class One.

Suchinda said that the five retired officers have the right to form their own party because they are now laymen and that the army would support all parties with old soldiers. "We would support the new party the way we are supporting the Ratsadon Party of Gen Thianchai Sirisamphan, the Puangchon Chao Thai Party of former supreme commander Gen Athit Kamlang-ek and even the Chat Thai Party because its leader Gen Chatchai was formerly a career soldier," Suchinda said.

Suchinda would not comment on Sanan's remarks that the new party would advocate a political system of checks and balances. He said that the army would not comment on political matters.

The army chief has repeatedly said that the army still supports Gen Chawalit despite his departure from the armed forces in late March and the Cabinet on June 11. But he has stressed that the support was morale [as published] in nature.

Inequitability of 'Economic Boom' Criticized

BK2906034790 Bangkok BANGKOK POST in English 29 Jun 90 p 4

[Editorial: "'Prosperity' Has To Trickle Down"]

[Text] Solidarity party deputy leader Bunchu Rotchanasathian and Prachakon Thai party leader Samak Suntharawet have made some valid points during their debate on the Budget Bill for the 1991 fiscal year in Parliament over the past two days.

The former finance minister pointed out that the bulk of the Government's revenue was expected to come from indirect taxes imposed on the poor, which form the majority, instead of from the tiny minority which are rich. He questioned Prime Minister Chatchai Chunhawan's claim that per capita income had jumped 34.6 percent from 22,599 baht in 1987 to 30,415 baht last year. The claim that the majority are reaping the fruits of the current economic boom also attracted scepticism.

Mr Samak, on the other hand, focussed his criticism on inefficient and wasteful budget allocations and said that corrupt practices existed within the government bureaucracy. He cited, as an example, the increase of the Local Administration Department's budget for holding elections from 21.8 million baht to 159 million which, he declared in a sarcastic tone, made him suspect that the Interior ministry is expecting a dissolution of Parliament.

Although it is understandable that the two leading Opposition MPs' [members of parliament] criticisms were laced with scathing rhetoric and intended to discredit the budget, they should not be dismissed out of hand simply because they came from members of the opposition bloc. On the contrary, such constructive criticism should be welcome.

For the Prime Minister, there is good reason for him to be proud and content with the economic achievements under his Administration and the first ever "balanced" budget presented to Parliament. At first glance, the figures he presented to the House appear attractive and suggest a stronger monetary position and bright economic prospects—not only this year but in the years to come. For example, exports are expected to increase 20 percent annually while imports are scheduled to be reduced by 17.8 percent next year; 9.1 percent and 8.4 percent growth rates were predicted for this and next year with inflation holding at 5-6 percent and a 34.6 percent increase in per capita income. Foreign reserves are up 41.5 percent. Given these remarkable statistics, the country's majority populace who are farmers should be better off and enjoying a higher quality of life—at least in theory. But that does not seem to be the case in the harsh light of reality.

The robust economy manifested by the mushrooming of industries, high-rise condominiums and resort hotels, the emergence of the "new rich" and the frenzied land speculation, among other things, tell only half the truth of the "success" side of the story. Beneath the facade of the industrial and tourism boom and economic prosperity, there lies a darker side to the picture which many of our decision makers seem reluctant to admit. There are as many as ten million Thais who are living below the poverty line. Farmers still remain the country's "cracked backbone", ridden with debts that they may not be able to repay in this lifetime. Countless children from the countryside have to languish in the sweat shops of their employers, deprived of both education and the care of their parents. And young northern girls are still being lured into the flourishing flesh trade by the thousand each year.

Obviously the cake generated by the economic boom over the past couple of years has yet to be shared out equitably, particularly among the rural poor. So long as the majority of the Thai population is excluded from the fruits of development, the Government claims of its economic achievments must be taken with more than a pinch of salt.

'Major Drug Supplier,' Nigerian Arrested 27 Jun

BK2906024390 Bangkok THE NATION in English 29 Jun 90 p 4

[Text] A major drug supplier and his Nigerian customer were arrested on Wednesday [27 June] at the former's house in Samut Prakan and drug suppression officials seized from them 4.4 kilogrammes of heroin, a senior official of the Office of the Narcotics Control Board [ONCB] said yesterday.

ONCB deputy secretary general Koson Limphichat said the arrest of the drug trafficker Suwit Saiwichit, 52, would help a lot in cutting heroin supplies for the Nigerians to smuggle out of the country.

The Nigerian suspect was identified as Abudu Raimi Yususs, according to Police Major General Koson.

Koson said ONCB officials had seized from the two suspects 11 packages of heroin weighing 4,427 grammes, an Alfa Romeo sedan and a $20,000 payment for the illicit drug. He also said that Suwit had been arrested in Rome in 1982 under the name of Wiwit Muangthip for allegedly possessing 750 grammes of heroin. The man was later jailed for eight years and 10 months but served only six years in prison before being released in 1987, according to Koson.

Koson added that Thai authorities had already arrested 56 Nigerians and four citizens of other African countries and recovered from them 171 kilogrammes of heroin in the first five months of this year.

Vietnam

Commentary Calls Political Pluralism Reactionary

BK0207141290 Hanoi International Service in English 1100 GMT 2 Jul 90

[Radio commentary]

[Text] Pluralism appeared about 200 years ago, and in a long period of time imperialism did not propagandize for this ism. But as a result of the economic and political changes in several socialist countries in Eastern Europe, imperialism clamored for pluralism, and now pluralism has become part of imperialist ideology.

Pluralism is reactionary. It worms its way in all aspects of social life of each country as well as in the whole world. It worms its way into parties, steps, and movements of the working class and laboring people and all nations. It also appears in many forms, such as philosophy, economy, politics, and with different colors. Imperialism's intention is to introduce pluralism into other countries to sabotage systematically their world outlook and outlook on life of socialism.

In Vietnam, several reactionary forces took advantage of difficulties to incite the young people, students, and artists to demand for pluralism. The Vietnamese Government intends to enlarge democracy, to respect discussions and different opinions, but it vehemently protests against political pluralism in Vietnam. Due to their historic character, the Vietnamese people themselves do not accept opposition parties. They recognize the Communist Party of Vietnam as the only leading force of the Vietnamese revolution.

Mrs. Ngo Ba Thanh, doctor of law, National Assembly deputy of Ho Chi Minh City, affirmed that Vietnam is firm with its principle, that is to strengthen the strength [as heard] and effectively uphold proletarian dictatorship, strengthen and renew the leading role of the Communist Party of Vietnam, perfect the state machinery to ensure that it is the real state of the people and the people are masters who have real power. On that basis, Vietnam resolutely rejects pluralism in any forms or appearances.

In an article carried by the Hanoi army newspaper on June 28, Mrs. Ngo Ba Thanh pointed out that each era has its own wisdom, that modern scientific and technological revolution has brought mankind to the high peak of wisdom and created a strong development according to each decade. These developments are premises and spiritual and material conditions to promote mankind's development in which modern socialism is a historic selection.

Essay Discusses Ideological Task in Army

Installment One

BK2906124990 Hanoi Domestic Service in Vietnamese 1400 GMT 26 Jun 90

["Installment one" of essay by Xuan Ngan]

[Summary] "In the first half of the year, the situation in various socialist countries has developed in a very complex fashion, creating negative effects on our country. Political opportunists and forces opposing the revolution have taken advantage of democracy and renovation and of difficulties now encountered by our country to increase their activities on various domains in the hope of making our people skeptical of and alienating them from the party and from socialism which Uncle Ho and the party have chosen and struggled to retain over the past half century. These forces have also tried to negate the valuable sacrifice of our soldiers in the field in the hope of isolating and shaking the fighting will of members of the people's Armed Forces and driving them deeper into the path of negating the party's leadership role."

Cadres and combatants in our Armed Forces must be all the more vigilant, trying to realize the nature of our enemies and those forces opposing the party. "Regardless of how complex the situation may become, the Armed Forces must remain politically stable and must maintain its unity and unanimity with the party Central Committee in resolutely struggling to protect their revolutionary gains, socialism, and Marxism-Leninism."

Reviewing their activities in the first half of the year, various party organizations noted that their party and political activities have been put on the right track. More visibly, all organs and units in the Armed Forces have been politically stable. They have remained vigilant and combat-ready to cope with not only the enemies from without but also with those reactionary forces within the country.

Despite attempts by those forces opposing the revolution to discredit the party, various party organizations in the Armed Forces have concentrated on increasing their leadership effectiveness. The principle of collective party leadership over all aspects of activities of the Armed Forces and those democratic principles in party activities have been scrupulously complied with by all party organizations. If, in the past, relations within a unit—between its party committee and its unit commander, between individual members and the collective, and between cadres and combatants— were weak in various aspects, leading to a lack of unanimity in the internal ranks, all these relations have now markedly improved. "It is thanks to the satisfactory settlement of this issue that the work performance of various units has been higher than before and the nonparty members' confidence in the party leadership has been consolidated."

Over the past six months, the Political General Department and the political organs at various levels have held many symposiums to thoroughly discuss the implementation of the above activities at various units such as units charged with carrying out combat missions at the frontline, units stationed on the Spratly archipelago, etc. During that period, in many units in the Armed Forces, the party committees, the unit commanders, and the political organs concerned have directed their party, political, and ideological activities to care for the material and spiritual life of cadres and combatants. Measures have also been taken to improve eating and housing facilities for troops and increase cultural and sporting activities to promote a better relationship between the Army and the people.

Installment Two

BK3006122590 Hanoi Domestic Service in Vietnamese 1400 GMT 27 Jun 90

["Installment two" of essay by Xuan Ngan]

[Summary] "After reviewing their party and political activities in the first half of this year, various units in the Armed Forces noted that while the situation in various East European socialist countries are developing in a very complex fashion and while countless difficulties are facing the country and creating a negative impact on the hearts and minds of the people, cadres and combatants of our Armed Forces continue to remain politically stable and to firmly maintain their determination to be ready to fulfill all their assigned missions." Nevertheless, the overall results obtained in the first half of this year were still far below the requirements currently set by the Armed Forces. It is especially noted that "the leadership and organizational skills of various party committees, especially those belonging to grass-roots units, are still very limited. Programs and methods for carrying out party and political activities have not been substantially renovated. In many localities, Army units are going about their work in an old fashion, lacking dynamism and flexibility. They have failed to stay close to the situation to carry out their ideological and organizational work. Party chapters in many combat units are still conservative and even rightist and tend to shun their duties." Adequate attention has not been given to the political and idelogical activities of the local Armed Forces. There are many party organizations too dependent on higher echelons, leading to a situation in which the living standard of their troops is poor, thus adversely affecting the training results and the militancy of the units concerned.

"In various units belonging to the Seventh and Ninth Military Regions and to the Tay Nguyen Miliary Corps, the rate of desertion among new recruits is still relatively high. In those units specialized in doing economic business and at various national defense machineworks, stalemate in production and the inadequacy of work have become a hot issue. Unlike the Ba Son, Z-131, Z-159, X-20 and X-21 machinery plants, not so many units are capable of solving their own difficulties, ensuring adequate employment, and stabilizing their workers' lives."

Seeking to understand the reasons for the aforesaid shortcomings, we have found the following problems to be solved by various echelons:

—Organizational structure is not perfect.

—The size and quality of political organs do not agree with their tasks.

—Cadres' general knowledge and working experience are poor. "There are cadres with nonexemplary actions. They are concerned only with their own interests. With their superiors, they flatter; with their subordinates, they behave haughtily. This has caused the masses to lose their confidence in the leadership.

"Many political cadres at the grass roots confided to us that the ideological task in the Army at present cannot be carried out only through indoctrination; there must be material bases to back it up." The current budget of various units for political activities is too small. Many units have had to spend nearly 50 percent of their budget buying newspapers for troops to read.

"The degradation of hardware equipment at present is also due partly to tight budget, making it impossible to obtain enough lubricating oil, cleaning towels, and replacement parts needed for maintenance work. In many cases, political cadres have become helpless in the face of the situation of their units, not only because they are incapable or irresponsible but because their units are too poor and also because of a lack of social justice. Many party cadres and members and nonparty members of the Armed Forces are of the view that the party and the state must punish according to the laws those degraded and deviant cadres who have caused billions of dong in damage to the national assets and who are now still working in the party and state apparatuses."

Protocols Signed on Aid From French Government

BK2006155290 Hanoi VNA in English 1519 GMT 29 Jun 90

[Text] Hanoi VNA June 29—A protocol on the use of a sum of 45 million French francs presented to Vietnam by the French Government and another protocol on France's food aid to Vietnam were signed here this afternoon.

Signatories were Vietnamese Vice Minister of Finance Ho Te and Samuel Lajeunesse, director of the treasury of the French Ministry of Finance.

The French food aid includes 5,000 tons of wheat, 300 tons of milk powder and 70 tons of canned beef.

Also present at the signing ceremony were French Ambassador to Vietnam Claude-Marie Blanchemaison and the members of the visiting delegation of the French Ministries of Finance and External Relations led by Samuel Lajeunesse.

Earlier, the French guests were cordially received by Minister for Foreign Affairs Nguyen Co Thach and had a working session with Cao Si Kiem, director general of the Vietnam State Bank.

Central Committee Greets Cambodian Party

BK280[illegible]083990 Hanoi VNA in English 0753 GMT 28 Jun 90

[Text] Hanoi VNA June 27—The Central Committee of the Communist Party of Vietnam has sent a message of greetings to the Central Committee of the People's Revolutionary Party of Kampuchea (PRPK) on its 39th anniversary.

After reviewing the important achievements recorded by the Cambodian people in all fields under the leadership of the PRPK and the increasingly growing position of the State of Cambodia in the international arena, the message said: "We firmly believe that, though many difficulties and hardships are still ahead, the Cambodian people keep on rallying closely around your party to march forward for new and greater achievements in carrying out tasks and targets for this revolutionary stage for a peaceful, independent, neutral and non-aligned Cambodia.

"We are very glad to note that despite difficulties and hardships in the new stage of revolution, the traditional solidarity and friendship and the time-honoured fraternal cooperation between the two countries continue to further consolidate and strongly develop, making important contributions to the success of our revolutions. We pledge to constantly do our utmost to consolidate and develop the close militant solidarity and fraternal cooperation between the two parties and peoples, and among Vietnam, Laos and Cambodia for the benefit of each contry's revolution and of the revolution of the three countries as a whole, and for peace, stability and cooperation in Southeast Asia and the world over."

The message expressed the profound gratitude of the Communist Party and the people of Vietnam to the PRPK and the Cambodian fraternal people for their support and assistance to the Vietnamese revolution.

Party Paper Marks Cambodian Party Anniversary

BK2806090990 Hanoi VNA in English 0733 GMT 28 Jun 90

[Text] Hanoi VNA June 28—On the 39th founding anniversary of the People's Revolutionary Party of Kampuchea (PRPK), the Communist party paper NHAN DAN here today praises the PRPK as the vanguard banner of the Cambodian revolution. The national daily writes:

"Through nearly four decades of persistent and heroic struggle during which it suffered major losses at times, the People's Revolutionary Party of Kampuchea always remains a vanguard banner leading the Cambodia people in winning glorious victories, smashing the domination of successive colonialist and imperialist rulers.

"Since the complete withdrawal of the Vietnamese army volunteers in September 1989, the People's Revolutionary Party of Kampuchea has continued to lead the Cambodian people over new difficulties and trials, gaining important and comprehensive achievements. The resounding victories gained in the last dry season have affirmed the maturity of the Cambodian People's Armed Forces which are now capable of defending their country, as well as the capability of the Cambodian Government in protecting the revolutionary gains of the Cambodian people. The fact that many Western countries have established relations with the State of Cambodia in different forms has further affirmed the increasing position and role of the State of Cambodia in the region. At the same time, the national solidarity on the basis of the correct national concord policy has been constantly strengthened and broadened."

The paper appreciates the Cambodian state's goodwill in the search for a peaceful solution to the Cambodian problem, and condemns the hostile forces for trying every way and means to interfere in Cambodia's internal affairs in an attempt to do away with all revolutionary gains and negate the leading role of the People's Revolutionary Party of Kampuchea.

The paper notes: The Vietnamese people rejoice at the achievements of the Cambodian revolution, and at the new developments of the relations between the two parties and the close cooperation between the two states of Vietnam and Cambodia. We believe that though many more difficulties and trials are still ahead, the Cambodian people, united around the PRPK, will continue to march forward to win still bigger achievements in the implementation of the revolutionary tasks in the new stage.

The paper expresses the Vietnamese people's sincere thanks to the party, the government and the people of Cambodia for their valuable support and assistance to the Vietnamese revolution. It also voices the Vietnamese people's determination to do their utmost to strengthen the loyal friendship and solidarity and close cooperation between Cambodia, and make them everlasting.

Australia

Government Allows Reopening of Yugoslav Consulate

BK0307005490 Hong Kong AFP in English 2028 GMT 2 Jul 90

[Excerpt] Canberra, July 2 (AFP)—The Australian Government said Monday [2 July] it would allow the reopening of the Yugoslav Consulate-General in Sydney, which was closed following a shooting incident in November 1988.

"The long period during which the government has refused to allow the reopening of the consulate-general has left the Yugoslav authorities in no doubt as to the seriousness with which the Australian Government viewed this incident," Foreign Affairs Minister Gareth Evans said in a statement.

Australia expelled all the consulate staff after Yugoslavia refused to hand over a security guard who fired on a crowd of demonstrators and wounded a 16-year-old boy in the neck. Yugoslavia later retaliated by expelling three Australian diplomat from Belgrade.

Mr. Evans said the consulate would be allowed to reopen immediately, but would be subject to rigid firearms control.

He said there had been no further incidents involving Yugoslav diplomatic and consular representatives in Australia, and that there was a clear need for the consulate.

Mr. Evans said lifting the ban did not mean the government abhorred the shooting any less.

He said the government had imposed "tight restrictions" on possessing, carrying and using firearms in the diplomatic and consular community. [passage omitted]

Hawke, Mexican President Sign Extradition Treaty

PA3006194990 Mexico City XHTV Television in Spanish 0100 GMT 23 Jun 90

[Text] President Carlos Salinas de Gortari and Australian Prime Minister Robert Lee Hawke today signed an extradition treaty between the two countries.

Salinas spoke to Australian parliament members about Mexico's new relations with the world community and told them about its efforts to diversify them. He mentioned the high priority that our country is giving to a rapprochement with Pacific Basin countries. This, he said, will result in the beginning of a new stage of more intense and profound relations in trade, financing, and scientific and technological cooperation.

President Salinas said that our country intends to take advantage of the opportunities that result from the new trend of world changes.

[Begin Salinas recording] We are experiencing eras of constant changes. Political events go beyond national borders and the interconnection of the world economy affects traditional production and consumption models. The speed and dimension of these changes impose a great challenge on societies and governments to successfully lead modernization tasks and democratic consolidation. These are the priorities of our times. [end recording]

President Salinas said that Mexico is closely following the progress of plans to integrate Europe in 1992, the free trade agreement between Canada and the United States, and, of course, the impressive progress being made to consolidate the economies of the Pacific Basin countries. Mexico, the president said, with more than 8,000 km of Pacific coastline and with a history of trade that goes back to the 16th century, has expressed its firm interest in actively participating in the process to develop the Pacific region.

In the evening, the governor general and his wife offered a dinner in Salinas' honor, an event attended by 48 people, including the main officials of the Australian Government.

Salinas' first working day in Australia was characterized by friendship and understanding.

Hawke, Palmer Launch Closer Economic Agreement

BK0207144890 Melbourne Overseas Service in English 0803 GMT 2 Jul 90

[Text] New Zealand and Australia have formally begun full free trade in goods under the Closer Economic Relations, or CER, Agreement. In Australia to mark the event, the New Zealand prime minister, Geoffrey Palmer, and his host Bob Hawke have identified trade in services as the next challenge for CER.

Here in Canberra, Radio Australia's diplomatic correspondent, Stuart Heather, reports that the new phase will be more difficult to introduce than the first—something acknowledged by both leaders.

[Begin recording] [Heather] Establishing a common market in goods was hard enough considering how similar are the Australian and New Zealand economies, business, and legal practices and historical links. But after years of negotiations and the accelerated dismantling of barriers, the first of July was declared the beginning of free trade—free trade in goods, that is, not services.

Progress has been underway on services through a specific protocol which is to be reviewed by the end of this year. But in major areas of the two countries' economies there is much work to be done. In particular, New Zealand wants access to Australia's transport and communications markets. It's own has been opened up to Australian companies with Ansett Airlines operating there, Qantas having taken a share in the privatized Air New Zealand, and Australians trying to get their hands on the share of the New Zealand telecommunications network.

At a joint news conference with Palmer, Australian Prime Minister Bob Hawke admitted that while Australia is working on reforms, the Kiwis are ahead of the Aussies in the race to deregulate services.

[Hawke] It is a fact that New Zealand has made (?its) decisions with regard to its services sector before, in a sense, we have made our decisions and that is particularly true in regard to telecommunications. New Zealand understands that it is (?open) for us to make a firm decision about the relationship and opportunities for New Zealand in Australia and Australia in New Zealand in that area until we have completed our considerations, and that does not reflect any desire [words indistinct] it is just a political reality in that area. And there is an additional point; a lot of the microeconomic reforms in Australia involves the states. Now, New Zealand does not have this problem.

[Palmer] [words indistinct] it might not be a problem, but we do not have [laughter in background] ...

[Hawke] [interrupting] Don't [words indistinct] [more laughter]

[Palmer and Hawke comment at the same time] We are ... [laughter].

[Hawke] I tell my New Zealand friends that I will never fully understand the (?busy) politics in New Zealand.

[Palmer] [words indistinct] and when you want to do microeconomic reforms, you can do it. And the problem is that obviously we understand because of those obstacles that the timetable could not be [words indistinct] the same in Australia as it was in New Zealand. And a number of these things required to be worked through, they require further discussions, they require a lot complimentary legislations, even perhaps in some cases [words indistinct] the states. So we are not impatient, we are not expressing some feeling as if there is any dragging of the change going on here. Not at all. It is just that the profile of the environment in which you make decisions here is inordinately complicated. [end recording]

Geoffrey Palmer doing a double act with Bob Hawke.

Blaming the states for delays in microeconomic reforms is not entirely fair. There are also problems with the trade unions and other groups. And the leaders of both Labor governments have agreed to consult union leaders to hasten reform of shipping. They noted the shipping services need to be more efficient and competitive within initial target of reducing trans-Tasman shipping costs to OECD levels by 1992 as a first step.

Aviation is another issue, and the two governments are expecting the results of a study into a single trans-Tasman aviation market. The Australian Government was [words indistinct] the names of two new freight carriers on the trans-Tasman route.

Well, progress is being reported. CER between Australia and New Zealand has many hurdles yet to overcome. Its place makes the dramatic political and economic union of the two Germany's look [words indistinct] remarkable.

Dispute in Fiji Causes Aid Project Suspension

BK0207073690 Melbourne Overseas Service in English 0500 GMT 2 Jul 90

[Text] Australia has frozen a major aid project in Fiji worth more than Australian $10 million because of a dispute involving compensation claims by local land owners. Australia has suspended implementation of the project to redevelop and extend the Pacific Fishing Company's processing plant in Levuka, east of the main island Viti Levu. Its the single largest Australian project in the region apart from Papua New Guinea.

Local landowners filed an injunction six weeks ago over compensation claims but the case was suspended late last week for one month to allow the parties to attempt to come to an agreement. However, the Australian Embassy in Suva says the holdup has so far cost more than Australian $100,000 and is costing another $6,500 everyday it is delayed. A spokesperson at the embassy says there are concerns that the delays will have a serious impact on Australia's ability to complete the project because the losses will have to be deducted from the total grant.

Tonga Receives Patrol Boat Under Defense Pact

BK0107070890 Melbourne Overseas Service in English 0500 GMT 1 Jul 90

[Text] Australia has given Tonga a second patrol boat to help it police its 200 nautical mile exclusive economic zone. The 31-meter vessel was handed over at a ceremony at Fremantle, south of Perth, in western Australia where it was built.

It is the 11th patrol boat provided by Australia under a defense cooperation agreement with South Pacific countries announced by the prime minister, Mr. Hawke, in 1983. Another four boats are yet to be built under the project, with a total of Australian $92 million.

The project also involves crew training and the provision of spare parts. Other participating countries are the Cook Islands, the Federated States of Micronesia, the Marshall Islands, Papua New Guinea, Solomon Islands, Vanuatu, and Western Samoa.

Fiji

Rabuka To Retain Post as Army Commander

BK2906022290 Hong Kong AFP in English 1918 GMT 28 Jun 90

[Text] Suva, Jun 29 (AFP)—Fiji's military coup leader Major-General Sitiveni Rabuka withdrew his decision Friday to quit his post as Army commander and said he was staying on at the request of the president, Ratu Sir Penaia Ganilau. He told the FIJI TIMES however that he would stand in general elections next year if a call comes from his home province of Cakaudrove, where Ratu Sir Penaia is the paramount chief.

He said he had decided to remain at his post as Army commander "at the behest of the president." But he said the president had not told him why he wanted him to continue at his post. "But it is clear to me that under the circumstances, with a few loose ends to tie up, it won't be politic for me to leave," he said, adding that it could give the "wrong signals."

His decision to continue at the post he has held since deposing his predecessor and the last elected government in May 1987 comes only seven days after he announced his intentions to retire once a new constitution guaranteeing Fijian dominance in parliament was promulgated.

He told the newspaper that he did not think that a reversal in his plan however represented a lack of confidence by the interim Fiji Government in the military's ability to carry on without him. "I am not indispensable. My men are fully committed to the cause restoring Fijian political dominance and protecting indigenous Fijian rights," he said. That had been his goal, he said, when he overthrew the ethnic Indian-dominated government in 1987. He added that he wanted to complete his job of properly training the Army.

Maj. Gen. Rabuka, who two months ago went to Malaysia, South Korea and China to check on training prospects for the 5000-strong Army, said he hoped to put his officers on a "more professional footing" before he quits. "Before I go I owe it to my men and women to see they are put on a more professional footing," he said. Fiji's Army turned to Asian countries, including Pakistan, for training after its traditional military partners, Australia and New Zealand, suspended defence ties with Suva following Maj. Gen. Rabuka's racially motivated 1987 coups.

Fiji has a 1100-strong force serving in the United Nations Interim Forces in Lebanon and the Sinai.

Maj. Gen. Rabuka, who since the coups has become a leading figure among the 352,000 indigenous Fijians here, told the newspaper that for the moment he had no intentions of entering politics. However he said that if he was offered a role in the interim government he would consider it. If he took the post, he added, he would quit as Army chief. "Similarly if a draft comes from Cakaudrove for me to stand in elections, I won't resist".

Fiji's interim government, which won approval for its proposed constitution from the country's ceremonial chiefs this week, intends to promulgate a new document later this year to pave the way for general elections within 20 months.

The new constitution, which replaces the 1970 charter abrogated by Maj. Gen. Rabuka after the 1987 coups, stipulates that native Fijians will have 37 seats (as opposed to 22 before) in parliament, ethnic Indians 27 (22 before), Polynesian Rotumans 1 (0) and Chinese and part-Europeans four (8).

Though the new constitution has been branded racist and discriminatory by the bulk of Fiji's 337,000 ethnic Indian community and the Governments of Australia and New Zealand, the interim Suva government headed by veteran Prime Minister Sir Kamisese Mara claims the new blueprint is the best compromise.

Political Differences Delay Cane Harvesting

BK0207080090 Melbourne Overseas Service in English 0500 GMT 2 Jul 90

[Text] The harvesting of this year's sugarcane crop in Fiji has been delayed for another week because of arguments between cane growers and industry leaders. The harvesting was due to begin today, but the state-owned Fiji Sugar Corporation has now confirmed that harvesting will not begin until 10 July.

The Pacific News Service, PACNEWS, quotes the corporation's chairman, Mr. Lyle Cupus, as describing the situation as disgraceful. He said the harvest, already delayed once over a new award which would cut farmers' incomes, was suffering because of political differences between the two parties.

Nauru

'World's Smallest Nation' Faces Export Slump

BK0107070090 Hong Kong AFP in English 0618 GMT 1 Jul 90

[By Davendra Sharma]

[Text] Suva, July 1 (AFP)—The Pacific island of Nauru, said to be the world's smallest nation, faces a huge drop in earnings this year due to a slump in demand for its sole product. In a report this week, Finance Minister Vinci Clodumar forecast that sales of phosphate to Nauru's biggest market, Australia, would fall by more than half to 500,000 tonnes compared to last year. This, he told Parliament, would depress annual earnings from 35 million Australian dollars (28 million U.S.) to 25 million.

Nauru, with about 1 billion dollars (800 million U.S.) invested in Tokyo, New York and Melbourne, but only 6,000 inhabitants, is often said to be the world's richest country per capita.

But, Mr. Clodumar warned, a drop in exports would force the government of President Bernard Dowiyogo to seek other ways of financing a budget deficit estimated at 5.59 million dollars (4.48 million U.S.).

Nauru, a circular mass of coral almost on the equator and covering 21 square kilometres (eight square miles), contains the purest phosphate deposits in the world.

Prospects of increasing sales to New Zealand and South Korea were bleak, Mr. Clodumar said. Strip-mining by Australia, Britain and New Zealand over 60 years has reduced Nauru to a barren landsdcape, and "it is estimated that the current mining will cease in the next four to five years' time," he said.

Nauru plans to spend 71.2 million dollars (57 million U.S.) this year, 10 million short of budget.

In addition to sales of phosphate, forecast receipts include 34.4 million dollars (27.5 million U.S.) from Air Nauru and 6.2 million dollars (4.9 million U.S.) from other sources.

The report said that the government plans to invest in Air Nauru this year but has "no provisions" to reopen missions in Hong Kong, American Samoa, Western Samoa, Japan, Hawaii and the Cook Islands which were closed in a move to "consolidate and rationalise" external affairs.

It also plans to launch television, partly for the large expatriate population of phosphate workers from Kiribati and Tuvalu, Chinese, Filipinos and Europeans, Mr. Clodumar said.

Nauru is suing Britain, New Zealand and Australia for 72 million dollars (57 million U.S.) to help rehabilitate mined areas.

Papua New Guinea

Minister Threatens To Deport Indonesian Rebels

BK0207123390 Hong Kong AFP in English 1158 GMT 2 Jul 90

[Text] Port Moresby, July 2 (AFP)—Papua New Guinea [PNG] threatened Monday [2 July] to deport Indonesian rebels if they caused problems for the governments of the neighbouring countries. Foreign Minister Sir Michael Somare told a news conference here: "I have always said to these people, if you want to cause trouble, cause trouble in your own area, not in ours." In his most strongly worded warning to date, Sir Michael said: "I have also given the undertaking that if they cause trouble to PNG, they should be sent back to where they belong."

He was commenting on a recent clash inside northern Papua New Guinea between Indonesia soldiers and guerrillas of the Free Papua Movement (OPM), which wants independence for Indonesia's easternmost province, Irian Jaya.

Sir Michael said that Papua New Guinea had a good rapport with Indonesia and did not want anyone to jeopardise it. He said he enjoyed an "open dialogue with his Indonesian counterpart, Ali Alatas, and discussed problems personally with him.

Referring to the OPM, he said: "If we know that they are going to give us trouble, and if we capture them, we will hand them over to Indonesia."

Papua New Guinea was monitoring its side of the 500-mile frontier, he said, to ensure that the OPM did not use its territory as a base for operations against Indonesia.

Last month, the government here sent troops and officials from the Foreign Ministry and the national intelligence organisation to Yapsei, close to the border, following a clash there.

Sir Michael said the OPM had "taken advantage" when Indonesian soldiers intervened in a brawl at a sporting event involving people from both sides of the frontier. Two Indonesian civilians were injured and weapons were captured by the guerrillas from the Indonesian troops, he said.

Tonga

Two Americans Extradited on Drug Charges

BK0207052490 Hong Kong AFP in English 0514 GMT 2 Jul 90

[Text] Suva, July 2 (AFP)—Two Americans arrested in Tonga have been extradited to the United States to face charges over a 32 million U.S. dollars drug smuggling operation, Tongan police said Monday [1 July].

Chief Superintendent of Police Sinilau Kolokihakaufisi said Valentine Casey Jones, 36, and Caroline-Ann Martin, both from San Diego, were flown Sunday to the U.S. aboard a Hawaii-based American Coast Guard aircraft.

Mr. Kolokihakaufisi said by telephone from the Tongan capital Nuku'alofa that they were arrested Friday following a tip-off last week from New Zealand police and U.S. Customs officers.

Mr. Jones is alleged to have smuggled cannabis valued at 32 million U.S. dollars from Thailand to the United States using New Zealand as a transit point.

Tongan police did not know the whereabouts of the drugs and the couple were not carrying large sums of money

Mr. Kolokihakaufisi said Ms. Martin arrived in Tonga on June 16 and flew to the northern island of Vavau where she booked into a hotel. She was joined on June 24 by her boyfriend Mr. Jones, who was travelling on a false passport with the name of Randy Richard Bird.

Mr. Kolokihakaufisi said following the tip-off Tongan police tried to find the pair but they had already left the island. They were subsequently arrested at the Fafa Island resort, off Nuku'alofa Harbour, two kilometres (1.2 miles) from Nuku'alofa. "We acted just as soon as we received information on them and were lucky to actually trace them down so fast," he said.

The Tongan police chief said the incident was "not the first of its kind in Tonga, but I would say the first involving such a high sum of money and drug money too".